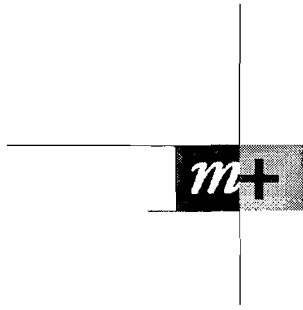


**STATE OF NEW MEXICO  
PUBLIC EDUCATION  
DEPARTMENT  
Financial Statements for the  
Year Ended June 30, 2009,  
and Independent  
Auditors' Report  
Volume I of II**



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Table of Contents – Volume I

**Official Roster** ..... I-1

**Independent Auditors’ Report**..... I-2 – I-4

**Management’s Discussion and Analysis**.....I-5 – I-22

**Basic Financial Statements:**

**Government-wide Financial Statements:**

Statement of Net Assets..... I-24

Statement of Activities ..... I-25 – I-26

**Fund Financial Statements:**

Balance Sheet - Governmental Funds ..... I-27 – I-29

Reconciliation of the Balance Sheet to the Statement  
of Net Assets - Governmental Funds ..... I-30

Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds..... I-31 – I-33

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances -  
Governmental Funds to the Statement of  
Activities - Governmental Funds..... I-34

Statements of Revenues and Expenditures –  
Budget and Actual – Major General and  
Special Revenue Funds..... I-35 – I-44

Statement of Fiduciary Net Assets ..... I-45

Statement of Changes in Fiduciary Net Assets ..... I-46

Notes to the Financial Statements..... I-47 – I-98

**Supplementary Information:**

Combining Balance Sheet - Non-Major Governmental Funds ..... I-100 – I-105

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Non-Major Governmental Funds..... I-106 – I-111

Special Revenue Funds – Non-Major - Statement of Revenues and  
Expenditures – Budget and Actual (Modified Accrual Budgetary Basis) ..... I-112 – I-132

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Table of Contents – Volume I - continued**

---

**Supplementary Information - continued:**

Special Capital Outlay – General Fund 1995 –29100 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-133
Special Capital Outlay – General Fund 1996 –38700 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-134
Special Capital Outlay – Severance Tax Bonds 1999 –46800 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-135
Special Capital Outlay – Severance Tax Bonds 1998 –54000 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-136
Special Capital Outlay – Severance Tax Bonds 1998 –54100 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-137
Special Capital Outlay – Severance Tax Bonds 1998 –54200 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-138
Special Capital Outlay – Severance Tax Bonds 1998 –54300 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-139
Public School Capital Improvements –63400 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-140 – I-141
Public School Capital Outlay –63500 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-142 – I-143
Kindergarten Capital Funding –63600 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-144
Special Capital Outlay - Severance Tax Bonds 1994 –66100 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-145
Special Capital Outlay - Severance Tax Bonds 2000 –81300 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-146
Special Capital Outlay 2004 –81600 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-147 – I-148
Special Capital Outlay 2000 –81800 – Schedule of Multi-year Budgeted Special Capital Outlay Fund .....	I-149 – I-150
Notes to Trust Funds and Agency Funds .....	I-151
Combining Statement of Net Assets – Fiduciary Funds.....	I-152
Combining Statement of Changes in Net Assets – Fiduciary Funds.....	I-153
Statement of Net Assets – Public Education Department.....	I-154
Statement of Net Assets – Division of Vocational Rehabilitation – Disability Determination Services .....	I-155
Statement of Activities – Public Education Department.....	I-156
Statement of Activities – Division of Vocational Rehabilitation – Disability Determination Services .....	I-157
Schedule of Changes in Assets and Liabilities – Agency Fund.....	I-158
Supplemental Schedule of Cash and Cash Equivalents .....	I-159 – I-160

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Table of Contents – Volume I - continued**

---

**Single Audit:**

Schedule of Expenditures of Federal Awards .....	I-162 – I-164
Notes to Schedule of Expenditures of Federal Awards.....	I-165
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 .....	I-166 – I-168
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.....	I-169 – I-171
Schedule of Findings and Questioned Costs .....	I-172 – I-205
Summary Schedule of Prior Year Audit Findings .....	I-206 – I-207
Exit Conference .....	I-208 – I-209





**New Mexico State-Chartered Schools Supplementary Information**

**Notes and Findings** .....II-2

**Combining Financial Statements:**

Combining Statement of Net Assets – Charter Schools..... II-4 – II-5  
Combining Statement of Activities – Charter Schools..... II-6  
Combining Balance Sheet of Governmental Funds – Charter Schools ..... II-7 – II-8  
Reconciliation of the Combining Balance Sheet of  
Governmental Funds – Charter Schools to the  
Combining Statement of Net Assets – Charter Schools ..... II-9 – II-10  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances – Charter Schools.....II-11 – II-12  
Reconciliation of the Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances –  
Charter Schools to the Combining Statement of  
Activities – Charter Schools ..... II-13 – II-14

**New Mexico State Chartered Schools Financial Statements:**

**Cien Aguas International School:**

Statement of Net Assets..... II-17  
Statement of Activities ..... II-18  
Balance Sheet – Governmental Funds..... II-19  
Reconciliation of the Balance Sheet to the Statement of  
Net Assets – Governmental Funds ..... II-20  
Statement of Revenues, Expenditures and Changes  
in Fund Balances – Governmental Funds..... II-21  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances – Governmental Funds  
to the Statement of Activities – Governmental Funds..... II-22  
Statements of Revenues, Expenditures and Changes in  
Fund Balance – Budget (Budgetary Basis) and Actual ..... II-23 – II-27  
Schedule of Cash and Temporary Investment Accounts..... II-28  
Cash Reconciliation ..... II-29

**Cottonwood Classical Preparatory School:**

Statement of Net Assets..... II-31  
Statement of Activities ..... II-32

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Table of Contents – Volume II - continued**

---

**Charter Schools Financial Statements - continued:**

**Cottonwood Classical Preparatory School - continued:**

Balance Sheet – Governmental Funds.....	II-33 – II-34
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-36 – II-37
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-38
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-39 – II-47
Schedule of Cash and Temporary Investment Accounts.....	II-48
Cash Reconciliation .....	II-49 – II-50

**Horizon Academy West:**

Statement of Net Assets.....	II-51
Statement of Activities .....	II-52
Balance Sheet – Governmental Funds.....	II-53 – II-54
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-55
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-56 – II-57
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-58
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-59 – II-69
Schedule of Cash and Temporary Investment Accounts.....	II-70
Cash Reconciliation .....	II-71 – II-72
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	II-73
Combining Statement of Assets and Liabilities – Agency Funds .....	II-74 – II-75
Schedule of Changes in Assets and Liabilities – Agency Funds .....	II-76 – II-77

**The International School at Mesa Del Sol:**

Statement of Net Assets.....	II-79
Statement of Activities .....	II-80
Balance Sheet – Governmental Funds.....	II-81
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-82

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Table of Contents – Volume II - continued

---

**Charter Schools Financial Statements - continued:**

**The International School at Mesa Del Sol - continued:**

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-83
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-84
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-85 – II-89
Schedule of Cash and Temporary Investment Accounts.....	II-90
Cash Reconciliation .....	II-91

**Media Arts Collaborative Charter School:**

Statement of Net Assets.....	II-93
Statement of Activities .....	II-94
Balance Sheet – Governmental Funds.....	II-95 – II-96
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-97
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-98 – II-99
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-100
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-101 – II-107
Schedule of Cash and Temporary Investment Accounts.....	II-108
Cash Reconciliation .....	II-109

**The New America School:**

Statement of Net Assets.....	II-111
Statement of Activities .....	II-112
Balance Sheet – Governmental Funds.....	II-113
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-114
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-115
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-116

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Table of Contents – Volume II - continued

---

**Charter Schools Financial Statements - continued:**

**The New America School - continued:**

Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-117 – II-120
Schedule of Cash and Temporary Investment Accounts.....	II-121
Cash Reconciliation .....	II-122

**North Valley Academy:**

Statement of Net Assets.....	II-124
Statement of Activities .....	II-125
Balance Sheet – Governmental Funds.....	II-126 – II-128
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-129
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-130 – II-132
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-133
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-134 – II-146
Schedule of Cash and Temporary Investment Accounts.....	II-147
Cash Reconciliation .....	II-148 – II-149
Statement of Fiduciary Assets and Liabilities – Activity Funds .....	II-150
Combining Statement of Assets and Liabilities – Activity Funds .....	II-151
Schedule of Changes in Assets and Liabilities – Activity Funds.....	II-152

**School of Dreams Academy:**

Statement of Net Assets.....	II-154
Statement of Activities .....	II-155
Balance Sheet – Governmental Funds.....	II-156
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-157
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-158
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-159
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-1605 – II-162
Schedule of Cash and Temporary Investment Accounts.....	II-163
Cash Reconciliation .....	II-164

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Table of Contents – Volume II - continued**

---

**Charter Schools Financial Statements - continued:**

**Taos Academy:**

Statement of Net Assets.....	II-166
Statement of Activities .....	II-167
Balance Sheet – Governmental Funds.....	II-168
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-169
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-170
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-171
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-172 – II-175
Schedule of Cash and Temporary Investment Accounts.....	II-176
Cash Reconciliation .....	II-177

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Official Roster

Year Ended June 30, 2009

Administrative Officials

Veronica C. García, Ed.D.	Secretary of Education
Catherine Cross Maple, Ph.D.	Deputy Secretary, Learning & Accountability
Don Moya	Deputy Secretary, Finance & Operations
Sheila Hyde, Ph.D.	Assistant Secretary, Quality Assurance & Systems Integration
Tom Dauphinee, Ph.D.	Assistant Secretary, Accountability & Assessment
Austin Buff	Director, Administrative Services
Mary Rose C de Baca	Assistant Secretary, Educator Quality Support
Nancy Martine-Alonzo	Assistant Secretary, Indian Education
Robert Piro	Assistant Secretary, Chief Information Officer
Don Duran, Ed.D.	Assistant Secretary, Charter School Division
James Holloway, Ed.D.	Assistant Secretary, Rural Education
Gilbert Perea	Assistant Secretary, Program Support & Pupil Transportation
Gloria Rendon, Ph.D.	Assistant Secretary, School & Instructional Support
Ricky Bejarano, MBA, CPA	Audit and Accounting Bureau Chief
Ralph Vigil	Director, Division of Vocational Rehabilitation
Sherry Garcia	Deputy Director, Division of Vocational Rehabilitation
Jessica Lucero	Chief Financial Officer, Division of Vocation Rehabilitation

Public Education Commission

M. Andrew Garrison	Vice Chairperson	Albuquerque	District 1
Millie Pogna	Secretary	Albuquerque	District 2
Kathryn E. Krivitzky	Commissioner	Los Ranchos de ABQ	District 3
Carla Lopez	Commissioner	Santa Fe	District 4
Mavis V. Price	Commissioner	Thoreau	District 5
Catherine M. Smith	Chairperson	Mimbres	District 6
Eugene E. Gant	Commissioner	Las Cruces	District 7
Vince Bergman	Commissioner	Roswell	District 8
Carolyn Shearman	Chairperson	Artesia	District 9
Jeff Carr	Commissioner	Eagle Nest	District 10

## INDEPENDENT AUDITORS' REPORT

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and each major special revenue fund of the State of New Mexico Public Education Department (Department) as of and for the year ended June 30, 2009, which collectively comprise the Department's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Department's non-major governmental funds, fiduciary funds and the budgetary comparisons for the major capital and special revenue funds and non-major governmental funds, the Schedules of the Multiyear Budgeted Special Capital Outlay Funds (non-GAAP Basis) and the discretely presented component units budget to actuals (non-GAAP basis) presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Department'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 and the individual fund financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

MEYERS + COMPANY, LLC

Certified Public Accountants/Consultants to Business



500 Marquette NW, Suite 800 Albuquerque, NM 87102

P 505/842-8290 F 505/842-1568 E cpa@meyers.com

www.meyers.com

An Independent Member of the BDO Seidman Alliance

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

As discussed in Note 1, the financial statements of the Department are intended to present the respective financial position of the governmental activities, the aggregate discretely presented component units and each major fund and the aggregate remaining fund information of the Department at June 30, 2009, and changes in financial position of those activities and funds and the budgetary comparison for the general fund and major special revenue funds for only that portion of the funds that are attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the entire State of New Mexico as of June 30, 2009, or the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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, the aggregate remaining fund information of the Department as of June 30, 2009, and the respective changes in financial position, and the respective budgetary comparisons for the general fund and major special revenue funds thereof 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 non-major governmental fund and fiduciary fund of the Department as of June 30, 2009, and the respective changes in the financial position thereof, and the respective budget comparisons for the major capital projects and non-major governmental funds in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budgetary comparisons for the discretely presented component units and the Schedules of the Multiyear Budgeted Special Capital Outlay Fund (Non-GAAP Basis) for the year ended June 30, 2009 are in conformity with a comprehensive basis of accounting other than GAAP in the United States of America, as described in Note 1

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2009, on our consideration of the Department's internal control over financial reporting and 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.



State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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 basic financial statements, and on the combining and individual fund financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by 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 basic financial statements. The additional schedules listed as supplemental information in the table of contents (Statements of Net Assets and Activities for the Public Education Department and for the Division of Vocational Rehabilitation/ Disability Determination Service; Schedule of Changes in Assets and Liabilities for the Agency Fund; Supplemental Schedule of Cash and Cash Equivalents) is presented for purposes of additional analysis and is not a required part of the basic financial statements and the individual fund financial statements of the Department. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and the individual fund financial statements and, in our opinion, are fairly stated in all material respects, in relation to the financial statements taken as a whole.

*Magnesi + Company, LLC*

November 25, 2009

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis  
Year Ended June 30, 2009**

---

The following management's discussion and analysis (MD&A) provides an overview of the State of New Mexico Public Education Department (Department) financial activities for the fiscal year ended June 30, 2009. The MD&A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Department's financial activity, (c) identify changes in the Department's financial position, (d) identify any material deviations from the financial plan (the approved budget) and (e) identify any financial issues or concerns. Please read it in conjunction with the Department's financial statements, which begin following this analysis.

**Department Highlights**

The Department is made up of two distinct appropriated entities and nine component units: the Public Education Department, the Division of Vocational Rehabilitation, and nine state-chartered schools. The Public Education Department (PED) provides leadership at the state and department levels in meeting the needs of and requirements for education in New Mexico. This includes providing assistance and direction to local school districts, local boards of education and other educational entities.

The Division of Vocational Rehabilitation (DVR) is responsible for the administration and provision of all DVR programs and services through seven areas and thirteen satellite offices statewide.

The nine state-chartered schools are to provide an alternative educational setting to parents and students in the public school system. State-chartered schools provide an opportunity to create new, innovative and more flexible ways of educating children.

In September 2003, New Mexico voters approved a constitutional amendment changing the nature of the Department. The 15-member State Board of Education was replaced by the elected 10-member Public Education Commission, whose authority and duties were defined by laws enacted by the New Mexico State Legislature during the 2004 Regular Session. The Superintendent of Public Instruction, appointed by the State Board of Education, was replaced by the Secretary of Public Education, a cabinet secretary appointed by the governor and confirmed by the New Mexico Senate. The State Public Education Department was replaced by the Public Education Department as a cabinet-level department of the executive branch of government.

Another constitutional amendment, also approved by the voters in September 2003, increased the distribution from the State Land Grant Permanent Fund to be used to implement and maintain educational reforms passed by the state legislature.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

---

**Using this Annual Report**

The Department's Basic Financial Statements (BFS) are presented in four parts, in the following order:

1. Department-wide Financial Statements,
2. Fund Financial Statements,
3. Budgetary Comparison Statements, and
4. Notes to the Basic Financial Statements.

**Department-wide Financial Statements.** The department-wide financial statements include the first two financial statements: the Statement of Net Assets and the Statement of Activities. These statements report information on all of the financial activities and resources of the Department as a whole except for information applicable to fiduciary activities. Fiduciary activities represent funds held in trust for others. These funds are not included in the resources available to support the Department's governmental activities. Governmental activities are financed by general revenue appropriations and state and federal grants.

The Department-wide Statement of Net Assets reports the assets of the Department and the corresponding claims and liabilities against those assets at June 30, 2009. The difference between the value of the assets and the liabilities is reflected as the value of the net assets. Increases or decreases in net assets measure whether the financial position of the Department improved or deteriorated. Net assets legally limited to a particular use are reported as restricted. Unrestricted net assets are assets that can be used to fund operating expenses in future years. A deficit (negative) balance in unrestricted net assets would indicate that obligations incurred in the current and prior periods exceed the value of assets currently available, and that the assets of future periods will be required to meet the established obligations.

The Department-wide Statement of Activities reports the educational and education-related expenses and the cost of general government operations of the Department, with a comparison of the program revenues obtained to finance them, and the general revenues made available to fund the difference. The statement also reports the change in net assets during the 2009 fiscal year.

The Department's activities are grouped into the functional programs. The Education activities are funded from federal revenues provided primarily by the U.S. Department of Education. Health and Welfare activities are Vocational Rehabilitation programs and the Disability Determination Services program, both administered by DVR.

**Fund Financial Statements.** The fund financial statements that follow the department-wide financial statements report on the financial position and changes in financial position of the individual funds used by the Department. Funds are separate accounting entities used in government accounting to segregate transactions according to the sources of funding and to demonstrate legal compliance with the restrictions that may be imposed on those financial resources. The Department uses two types of funds to account for its financial activities: governmental funds and fiduciary funds.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

---

Using this Annual Report - continued

**Fund Financial Statements - continued**

Governmental Funds

Governmental funds are used to account for the finances of the governmental activities reported in the department-wide financial statements. The Department uses two types of governmental funds: a general fund to account for activities not required to be accounted for in other funds, and special revenue funds to account for collection and expenditure of earmarked and restricted fund resources (Note 1).

Fiduciary Funds

Fiduciary funds are used to account for resources the Department holds for others. The Department uses three fiduciary funds. The **agency fund** is used to accumulate driver safety fees that are to be distributed to each school for the purpose of providing defensive driving instructions. The **private-purpose trusts** are used to report arrangements under which principal of donations invested or interest earned on investments benefit specific individuals. The **Eva Lou Scholarship fund** benefits “deserving boys and girls”, and the Tutor Scholarship is used to account for donations to be used to fund scholarships for academically successful students who tutor at-risk high school students. The finances of these funds are reported in a separate Statement of Fiduciary Net Assets. The resources of these funds are excluded from the department-wide financial statements because they cannot be used to finance the Department’s operations.

**Reconciliation of Department-wide Financial Statements to Fund Financial Statements.** Differences in amounts reported in the department-wide financial statements versus the fund financial statements result from the different measurement focus and basis of accounting used. The measurement focus used for governmental funds is based on budgetary control and the flow of resources in the current year. As an example, capital purchases are treated as expenditures of the current year. Department-wide financial statements reflect such transactions as allocations over the time of use in the form of depreciation. A reconciliation of differences between department-wide and fund financial statements is provided in separate schedules that detail the differences in accounting treatment.

**Budgetary Comparisons.** The budgetary comparison statements furnish a budget-to-actual comparison for all governmental funds to report compliance with the approved budget. The budget amounts reported are those in the original budget and in the amended budget, which reflects all legal adjustments made to the budget since the start of the fiscal year. The budgetary actual amounts are stated on the same basis as the budget figures.

**Notes to the Financial Statements.** The notes to the financial statements provide detailed information to support and explain key financial information presented in the department-wide and fund financial statements. The notes provide information on the activities of the Department, on the bases of accounting used, and on accounting policies reflected in the financial statements, in addition to clarifying key financial information. They are integral to understanding the financial statements.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis – continued  
Year Ended June 30, 2009**

---

**Using this Annual Report - continued**

**Supplemental and Supplementary Information.** Supplemental information is provided to report the combining financial statements of non-major funds and fiduciary funds, to report the change in assets and liabilities of the agency fund, and to report the details of federal grant awards and expenditures. The information is provided in compliance with federal and state reporting requirements.

Since the Department is composed of two distinct entities and nine state-chartered schools, a separate discussion and analysis section is being presented for both the Public Education Department, the Division of Vocational Rehabilitation, and the nine state-chartered schools following the department-wide discussion and analysis.

**Financial Highlights**

**Public Education Department**

- The Department has 14 major funds. The General fund (05700) accounts for administration of PED, not including DVR or federal administrative costs. DVR's administrative costs are reported in the Vocational Rehabilitation fund (50000) and the Disability Determination Services fund (50100). PED's federal administrative costs are reported in the Federal Department of Education Administration fund (84400). The American Recovery and Reinvestment Act fund (89000) was added this year and accounts for the recent federal aid in stimulating the U.S economy. The other funds are primarily pass-through funds and are described in more detail in the financial statements footnotes.
- The Department's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. We exclude these activities from the Department's other financial statements because the Department cannot use these assets to finance its operations. The Department is responsible for ensuring that the assets reported in these funds are used for their intended purposes.
- There is a deficit fund balance in the Federal Department of Education Administration Fund (84400) of \$4.2 million. Prior to 2004, federal administrative revenues and expenditures were recorded in the General Operating Fund, 05700. Beginning in 2004, the Department created a new fund, 84400, to separately track federal administrative funds. Federal revenues and receivables were not properly reconciled for a number of years in Fund 05700. In 2005, the Department reconciled the ending federal receivable amounts in Funds 05700 and 84400, and then transferred the remaining balances in 05700 to 84400.
- In the Public School Support Flowthrough fund (85800), there was a change in fund balance of \$14,194,171 between FY 08 and FY 09.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis – continued  
Year Ended June 30, 2009**

---

**Financial Highlights – continued**

**Public Education Department - continued**

- Bond proceeds reported in the capital project funds (63400, 63500, 81600 and 81800) increased over \$4.9 million from prior year in the aggregate. This was due to an increase in appropriation to fund public school capital projects.
- Special projects (79000) reported an increase in fund balance of approximately \$8.7 million between FY 08 and FY 09. The Fund 79000 fund balance did not exceed appropriations.

**Division of Vocational Rehabilitation**

- DVR has two major funds. The Vocational Rehabilitation fund receives the majority of its funding from federal grants that require state matching funds. The other fund is the Disability Determination Services fund, which receives all of its funding from a federal grant that does not require a state match.
- The Vocational Rehabilitation fund showed an excess of revenues over expenditures, resulting in an increase in fund balance of \$186,930 when accounted for on a GAAP basis.
- The Disability Determination Services fund showed an excess of expenditures over revenues, resulting in an increase in fund balance of \$9,218 when accounted for on a GAAP basis.
- Both funds operated in compliance with their budgetary authority for the year, including budget reductions sustained during FY 09 due to decline in State General Fund dollars.
- DVR capital assets decreased by \$84,492, which was a net effect of depreciation expense of \$112,565, capital purchases of \$28,073, fully depreciated capital deletions of \$891,884.
- Administration – The DVR program is a joint effort of the federal and state governments to assist people with disabilities, as a function of the Rehabilitation Act of 1973, as amended, the Technology-Related Assistance for Individuals with Disabilities Act of 1988, as amended, and the Social Security Act, as amended. The New Mexico DVR is a Division of the New Mexico Public Education Department and is responsible for a variety of services for people with disabilities. DVR has served New Mexicans with disabilities for 85 years (1923 – 2009).

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

**Financial Analysis of the Department as a Whole**

**Net Assets**

The Department's net assets at June 30, 2009 were \$39.9 million. Table A-1 summarizes the Department's net assets for the fiscal year ended June 30, 2009.

**Table A-1  
The Department's Net Assets**

	(Dollars in Thousands)			June 30, 2008 Department
	PED	DVR	Department	
Current assets	\$ 242,618	9,888	<b>252,506</b>	271,616
Capital assets, net	23	180	<b>203</b>	499
<b>Total assets</b>	<b>\$ 242,641</b>	<b>10,068</b>	<b>252,709</b>	<b>272,115</b>
Liabilities	<b>\$ 206,805</b>	<b>5,913</b>	<b>212,718</b>	<b>172,488</b>
Net Assets:				
Invested in capital assets, net of related debt	\$ 23	180	<b>203</b>	501
Restricted	40,429	190	<b>40,619</b>	63,984
Unrestricted	(4,616)	3,785	<b>(831)</b>	35,143
<b>Total net assets</b>	<b>\$ 35,836</b>	<b>4,155</b>	<b>39,991</b>	<b>99,627</b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

**Financial Highlights – continued**

**Changes in Net Assets**

Table A-2 summarizes the Department's changes in net assets for fiscal year 2009.

**Table A-2  
Changes in the Department's Net Assets**

	(Dollars in Thousands)			
	June 30, 2009			June 30, 2008
	PED	DVR	Department	Department
<u>Program Revenue Grants</u>	\$ 382,795	34,089	416,884	416,637
<u>General Revenues</u>				
State appropriations	2,615,735	7,361	2,623,096	2,523,724
Inter-agency transfers, net	15,274	163	15,437	850
Reversions	(51,610)	-	(51,610)	(5,904)
Proceeds of State General obligations and severance tax bonds	36,748	-	36,748	33,264
<b>Total revenues</b>	<b>2,998,946</b>	<b>41,613</b>	<b>3,040,558</b>	<b>2,968,571</b>
<u>Expenses</u>				
Health and Welfare	-	41,530	41,530	41,446
Education	2,987,429	-	2,987,429	2,968,578
<b>Total expenses</b>	<b>2,987,429</b>	<b>41,530</b>	<b>3,028,959</b>	<b>3,010,024</b>
<b>Change in net assets</b>	11,517	83	11,600	(41,453)
Net assets				
Beginning of year, restated	24,319	4,072	28,391	141,080
<b>End of year</b>	<b>\$ 35,836</b>	<b>4,155</b>	<b>39,991</b>	<b>99,627</b>

DVR's change in net assets increased \$88 million between years. The increase is primarily attributable to the change from the cash basis of accounting to the accrual basis of accounting as required by state law. Most of the remaining funds are included in restricted net assets at year-end because the funds are restricted for a specific purpose according to enabling legislature. Most of the Department's funding passes through to the



**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis – continued  
Year Ended June 30, 2009**

**Financial Highlights – continued**

**Changes in Net Assets - continued**

schools. Administrative costs are approximately 1.5% of the Department's total expenditures. Education continues to be a priority of the state and the Department's operations are adequately supported by state and federal resources.

**Changes in Capital Assets**

During fiscal year 2009, DVR disposed of \$891,884 of Information Technology equipment which resulted in an increase of \$636,370 between FY08 and FY09 deletions. There was no significant capital asset activity for PED during fiscal year 2009.

	<b>(Dollars in Thousands)</b>			
	<b>June 30, 2009</b>			<b>June 30, 2008</b>
	<b>PED</b>	<b>DVR</b>	<b>Department</b>	<b>Department</b>
Art acquisitions	\$ 6	-	6	6
Equipment and machinery	\$ 3,770	2,276	<b>6,046</b>	6,886
Accumulated depreciation	(3,752)	(2,097)	<b>(5,849)</b>	(6,393)
<b>Total capital assets, net</b>	<b>\$ 24</b>	<b>179</b>	<b>203</b>	<b>499</b>

Capital Assets for the Department are presented in Note 5 to the financial statements to illustrate changes from the prior year.

**Reporting the Department's Most Significant Funds**

The Department's two kinds of funds are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and description of each existing fund type follow:

**Governmental funds.** Governmental funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

- General fund – The primary operating fund of the Department accounts for all financial resources, except those required to be accounted for in other funds.
- Special revenue funds – These account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis – continued  
Year Ended June 30, 2009**

---

**Reporting the Department's Most Significant Funds - continued**

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

- Private purpose trust funds – These funds are used to account for trust arrangements under which principal or interest benefit specific individuals or organizations, but not the reporting government.
- Agency funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

**Budgetary Highlights**

The New Mexico State Legislature makes annual appropriations to the Department. Amendments to the appropriated budget require approval by the Budget Division of the Department of Finance and Administration, with review by the Legislative Finance Committee.

Over the course of the year, the Department adjusts its budget as authorized in the Appropriations Act. During the 2009 Regular Legislative Session, declining budgeted revenues at the start of fiscal year 2009 required certain General Fund appropriations to be reduced through signed House Bill 10. Declining State General Fund budgeted revenues are attributed to the national recession which has impacted New Mexico broad-based tax revenue, which has required cuts to expenditures. These budget adjustments allow the Department to utilize funds where needed. Budget adjustment requests were generally for increases in Federal Grants.

PED budgetary statements are shown both in the major fund financial statements and the required supplemental information portion of the financial statements.

PED's fund 85800 state equalization expenditures by category on a budgetary basis are shown below:

	<u>Final Budget</u>	<u>Actual Amount</u>
Other costs	\$ <u>2,475,591,640</u>	<u>2,449,047,275</u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis – continued  
Year Ended June 30, 2009**

**Budgetary Highlights - continued**

PED's fund 05700 General Fund expenditures by category on a budgetary basis are as shown below:

	<u><b>Final Budget</b></u>	<u><b>Actual Amount</b></u>
Personal services	\$ 14,682,100	14,761,030
Contract services	740,800	824,215
Other costs	1,566,800	1,574,585
Other uses	<u>-</u>	<u>-</u>
 Total education	 \$ <u>16,989,700</u>	 <u>17,159,830</u>

PED's fund 84400 Federal Department of Education Administration expenditures by category on a budgetary basis are shown below:

	<u><b>Final Budget</b></u>	<u><b>Actual Amount</b></u>
Personal services	\$ 7,645,400	6,723,068
Contract services	26,953,800	15,266,874
Other costs	10,441,013	1,810,820
Other uses	<u>-</u>	<u>-</u>
 Total education	 \$ <u>45,040,213</u>	 <u>23,800,762</u>

DVR budgetary statements are shown on page 40 for the Vocational Rehabilitation fund and on page 41 for the Disability Determination Services fund. The total budget for the Vocational Rehabilitation fund decreased from \$34,427,912 to \$34,767,872 during the year. This net increase of \$339,960 incorporates the FY09 budget cuts which reduced the state required matching for this fund. The Vocational Rehabilitation fund did not have revenues in deficit of budgeted revenues and unspent budgeted expenditures of \$43,880,564 in state fiscal year 2009. Due to decreases of available General Fund to DVR, this has decreased the amount of availability DVR can obtain from federal matching dollars, as well as imposed a Maintenance of Effort Penalty due to unavailable levels of matching dollars from the State.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

---

**Budgetary Highlights - continued**

DVR's total expenditures by category on a budgetary basis are shown below:

	<u>FY 09</u>
Personal services	\$ 18,992,571
Contracted professional services	745,565
Other costs	<u>21,550,940</u>
Total	\$ <u>41,289,076</u>

**Economic and Budgetary Factors**

**National and State Economy.** The national and state economies are experiencing increases in the rate of unemployment and the upcoming Fiscal Year 2010 is anticipated to have a greater downturn than that experienced during Fiscal Year 2009. The economic growth has slowed, and economic performance is also down when compared to prior years. The State's projected shortfall in state revenue will impact the Department and may require reductions in pass-through funding to the state's school districts and chartered schools.

The Department and other state agencies are expected to continue to cut expenditures and costs while maintaining the same level of commitment to the states education and vocational rehabilitation assistance to the states citizens.

- **Budget.** For FY 09, the Legislature appropriated approximately \$2.476 billion in public school support, an decrease of approximately \$15 million, or 0.6 percent over the FY 08 appropriation.

**Future Events That Will Financially Impact the Department**

During the first five months of FY 2010, a Special Session of 2009 was ordered due to the continual decline of general fund revenues. Recommendations through House Bill 17 were proposed to decrease expenditures during the 2010 fiscal year. House Bill 17 was amended and resulted in the issuing of the Governor's Executive Order 2009-44, which has required PED and DVR to an additional 2% cut in General Fund appropriations.

Executive Order 2009-44 requires all executive agencies to sustain a 5 day "non-paid" furlough across funding structures. While the executive order greatly impacts both PED and DVR, DVR will be further impacted by a loss of available matching General Fund over the five day span of \$48,500, which results in a loss of federal fund of \$303,000. The additional loss of General Fund due to five furlough days will result in an increase of Maintenance of Effort Penalty.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Management's Discussion and Analysis – continued  
Year Ended June 30, 2009**

---

**Future Events That Will Financially Impact the Department**

The 2% cut, or \$117,800, of General Fund has resulted in a loss of federal funds through a match of \$342,600; as well as imposed a Federal Maintenance of Effort Penalty for Federal Fiscal Years 2011 of \$82,900 and 2012 of \$161,000. Federal Maintenance of Effort Penalties is issued for states that cannot meet non-federal matching fund levels from two years prior. An additional requirement was imposed on DVR related to the Governor's

**Component Units – New Mexico State Chartered Schools**

The component units for PED consist of the state-chartered schools. The state-chartered schools were enacted during the 47<sup>th</sup> Legislative Session in 2006 under Senate Bill 600. In FY 2008, only two schools were state-chartered (Cottonwood Classical Preparatory School and Media Arts Collaborative Charter School), in FY 2009 seven additional schools were approved as state-chartered. The seven schools include: Cien Aguas International School, Horizon Academy West, The International School at Mesa Del Sol, The New America School, North Valley Academy, School of Dreams Academy, and Taos Academy. Please consider the additional schools when reviewing the financial analysis of the component units as a whole.

**Cien Aguas International School**

• **Brief Discussion**

Cien Aguas International School is a dual language school serving children from the kindergarten level through the eighth grade. The school's focus is international and environmental and its curriculum integrates students who differ in language, culture, and income in order to promote high achievement for all students. Cien Aguas seeks to develop confident, curious, and compassionate young people who are bilingual and bi-literate, committed to a sustainable society, and have the academic and interpersonal skills necessary to succeed in further education.

**Cottonwood Classical Preparatory School**

• **Brief Discussion**

The mission of Cottonwood Classical Preparatory School is to develop highly skilled learning activists who, through a broad knowledge base, can analyze, synthesize and evaluate new information. Students will receive the same or higher standard of education offered by the most academically distinguished public or private schools in New Mexico. Cottonwood Classical Preparatory School graduates will be prepared to enter and thrive at the world's finest colleges and universities and will also become driving forces in their local, regional, national and global community. Students will be prepared for a fluid and dynamic 21<sup>st</sup> century workforce where cultural differences are studied, respected, and valued.

**Component Units - continued**

**Cottonwood Classical Preparatory School**

• **Brief Discussion - continued**

Cottonwood Classical Preparatory School students will demonstrate social responsibility and integrity through active community involvement and service learning opportunities. Students will be well versed in communicating through reading, speaking, writing, and listening with diverse audiences.

**Horizon Academy West**

• **Brief Discussion**

Horizon Academy West Charter School is a state-authorized chartered school that serves students from kindergarten through 6th grade. The focus is on students' academic achievement and individual development. The school is dedicated to providing students with an academic and social foundation for their continual growth as lifelong learners through a combination of rigorous instruction in the core content areas, and an appreciation of our cultural diversity.

**International School at Mesa Del Sol**

• **Brief Discussion**

The International School at Mesa del Sol is a state-authorized chartered school whose vision it is to bring a meaningful, comprehensive contemporary education to all students, regardless of personal circumstance, to motivate them to learn and be actively engaged in our school community.

**Media Arts Collaborative Charter School**

• **Brief Discussion**

The Media Arts Collaborative Charter School provides a high school education through a holistic approach that blends media arts with responsibility and integrity in an inclusive and diverse academic environment.

Media Arts Collaborative Charter School provides an integrated, inclusive curriculum through hands on experiential learning that satisfies New Mexico standards for graduation from secondary schools. We seek to prepare students for an education in the media arts at the university and community college level, as well as to prepare all students to understand the role of media arts in the world and how people's lives are affected by them. Our mission stems from the need to provide an education that recognizes the extensive influence the media has on our children and society.

**Component Units - continued**

**The New America School**

• **Brief Discussion**

The New America School is a state-authorized public charter high school dedicated to serving a unique population - recent immigrants and English Language learners. NAS was created to serve un-enrolled students who might lack the English skills to succeed in mainstream high schools. The program helps students thrive in high school, and positions them for post-secondary education or whatever career options they may pursue.

**The North Valley Academy**

• **Brief Discussion**

North Valley Academy is a state-authorized chartered school committed to providing all students with a rich and well-balanced education through a rigorous focus on Mathematics, Language Arts, and an emphasis on Health and Wellness.

**School of Dreams Academy**

• **Brief Discussion**

The School of Dreams Academy is a New Mexico state authorized charter school located within the boundaries of Valencia County. The focus of the school is to enhance student achievement through utilization of instruction in the arts, literacy, character education, and community involvement through various service learning opportunities. The School of Dreams Academy offers quality, research-based core academic program through the virtual learning program, Education 2020.

**Taos Academy**

• **Brief Discussion**

Taos Academy is a 21st century learning community that provides 5th -11th grade students an engaging and rigorous core curriculum, highly motivating elective classes, leadership and career training, and community involvement through our state-of-the-art 21st century learning environment. The school will be expanding to include the 12th grade in the 2010-2011 school years.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

---

**Component Units - continued**

**Financial Analysis of the Component Units as a Whole**

**Net Assets**

The Component's net assets at June 30, 2009 were \$2.3 million. Table A-3 summarizes the Component's net assets for the fiscal year ended June 30, 2009.

**Table A-3  
The Component Units' Net Assets**

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
	Component Units	Component Units
Current assets	\$ 4,343,156	81,127
Capital assets, net (restated)	<u>178,855</u>	-
<b>Total assets</b>	<b><u>\$ 4,522,011</u></b>	<b><u>81,127</u></b>
Cash Overdraft	24,713	22,760
Accounts payable	1,212,259	-
Accrued payroll	731,574	-
Compensated absences	<u>229,423</u>	-
<b>Total liabilities</b>	<b><u>\$ 2,197,969</u></b>	<b><u>22,760</u></b>
 Net Assets:		
Invested in capital assets, net of related debt (restated)	\$ 178,855	-
Restricted	2,050,077	-
Unrestricted	<u>95,110</u>	58,367
<b>Total net assets</b>	<b><u>\$ 2,324,042</u></b>	<b><u>58,367</u></b>
 Total assets and liabilities	 <b><u>\$ 4,522,011</u></b>	 <b><u>81,127</u></b>



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

---

**Component Units - continued**

**Financial Analysis of the Component Units as a Whole - continued**

**Table A-4  
Changes in the Component Units' Net Assets**

	<u>June 30, 2009</u> Component Units	<u>June 30, 2008</u> Component Units
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services	\$ 166,717	-
Operating grants & contributions	7,728,288	172,495
Capital grants & contributions	758,995	-
General revenues:		
Revenue from local sources	233,663	-
Revenue from state sources	1,379,918	-
Revenue from federal sources	4,765,130	-
<b>Total revenues</b>	<b>\$ 15,032,711</b>	<b>172,495</b>
<b><u>Expenses</u></b>		
Governmental	\$ 12,476,224	114,128
<b>Total expenses</b>	<b>\$ 12,476,224</b>	<b>114,128</b>
Changes in Net Assets	\$ 2,556,487	58,367
Beginning Net Assets	(232,445)	-
Ending Net Assets	\$ 2,324,042	58,367
Rounding	-	(1)
Ending Net Assets	\$ 2,324,042	58,366

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

**Component Units - continued**

**Financial Analysis of the Component Units as a Whole - continued**

**Table A-4  
Changes in the Component Units' Net Assets - continued**

	<u>June 30, 2009</u> Component Units	<u>June 30, 2008</u> Component Units
<b>Change in net assets</b>	\$ 2,556,487	58,367
Net assets, beginning of year, restated	(232,445)	-
<b>End of year</b>	\$ 2,324,042	58,367
Rounding	-	(1)
<b>Ending Net Assets</b>	\$ 2,324,042	58,366

The increase in net assets of \$1.8 million is primarily attributable to an increase of \$1.8 million in component units net assets due to an additional seven state chartered schools. Administrative costs are approximately 15% of the component units total expenditures.

**Changes in Capital Assets**

During fiscal year 2009, seven of the nine component units purchase capital assets resulting in an increase of \$179 thousand net of capital assets.

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
	Component Units	Component Units
Equipment and machinery	\$ 253,245	-
Accumulated depreciation	(74,390)	(-)
<b>Total capital assets, net</b>	\$ 178,855	-

Capital Assets for the Component Units are presented in Note 22 to the financial statements to illustrate changes from the prior year.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Management's Discussion and Analysis – continued  
Year Ended June 30, 2009

---

**Component Units - continued**

**Reporting the Component Units' Most Significant Funds**

The Department's two kinds of funds are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and description of each existing fund type follow:

**Governmental funds.** Governmental funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

- General fund – The primary operating fund of the Department accounts for all financial resources, except those required to be accounted for in other funds.
- Special revenue funds – These account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

- Private purpose trust funds – These funds are used to account for trust arrangements under which principal or interest benefit specific individuals or organizations, but not the reporting government.
- Agency funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

**Requests for Information**

The Public Education Department's Administrative Services Division compiled this analysis. Please refer any questions to Ricky Bejarano MBA CPA, Audit and Accounting Bureau Chief, at (505) 827-3856.

The mailing address is: New Mexico Public Education Department, Administrative Services Division, Education Building, 300 Don Gaspar, Room 228, Santa Fe, New Mexico 87501-2786.

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Net Assets**

**AS OF JUNE 30, 2009**

	<b>Governmental Activities</b>	<b>Component Units</b>
<b>ASSETS:</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ -	1,756,371
Investment in State General Fund Investment Pool	153,370,545	-
Due from other governments	98,256,264	2,457,825
Due from external parties	137,797	-
Advances to local education agencies	589,386	-
Prepaid expenses	<u>152,328</u>	<u>128,960</u>
<b>TOTAL CURRENT ASSETS</b>	<b>252,506,320</b>	<b>4,343,156</b>
<b>NON-CURRENT ASSETS:</b>		
Capital assets	6,051,429	253,245
Less: accumulated depreciation	<u>(5,848,706)</u>	<u>(74,390)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>202,723</b></u>	<u><b>178,855</b></u>
<b>TOTAL ASSETS</b>	<b>\$ <u>252,709,043</u></b>	<b><u>4,522,011</u></b>
<b>CURRENT LIABILITIES:</b>		
Bank overdraft	\$ -	24,713
Accounts payable	71,173,951	1,212,259
Accrued payroll and taxes	1,832,394	731,574
Deferred revenue	40,329,958	-
Due to State Treasurer's Office - overdraft	44,373,935	-
Due to other governments	52,902,193	-
Due to local education authorities	41,471	-
Other liabilities	29,504	-
Compensated absences payable	<u>2,064,387</u>	<u>229,423</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>212,747,793</b>	<b>2,197,969</b>
<b>NET ASSETS:</b>		
Invested in capital assets (restated, note 5)	202,723	178,855
Restricted	40,589,267	2,050,077
Unrestricted	<u>(830,740)</u>	<u>95,110</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>39,961,250</u></b>	<b><u>2,324,042</u></b>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Activities**

**YEAR ENDED JUNE 30, 2009**

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<b>GOVERNMENTAL ACTIVITIES:</b>			
Education	\$ 2,987,434,264	382,765,944	(2,604,668,320)
Health and welfare	<u>41,524,396</u>	<u>34,088,758</u>	<u>(7,435,638)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>3,028,958,660</u></b>	<b><u>416,854,702</u></b>	<b><u>(2,612,103,958)</u></b>
<b>GENERAL REVENUES:</b>			
<b>TRANSFERS</b>			
State appropriations			\$ 2,620,724,831
Bond proceeds appropriations			36,748,301
Other state funds			2,372,299
Transfers in			15,884,588
Transfers out			(445,952)
State General fund reversions-FY09			<u>(51,609,619)</u>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>			<u>2,623,674,448</u>
<b>CHANGE IN NET ASSETS</b>			11,570,490
<b>NET ASSETS, BEGINNING OF FISCAL YEAR</b>			<u>99,626,737</u>
<b>RESTATEMENTS (Note 19)</b>			<u>(71,235,977)</u>
<b>NET ASSETS, BEGINNING OF FISCAL YEAR - Restated</b>			<u>28,390,760</u>
<b>NET ASSETS, END OF FISCAL YEAR</b>			<b>\$ <u>39,961,250</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statement of Activities - continued

AS OF JUNE 30, 2009

	COMPONENT UNITS				Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>GOVERNMENTAL ACTIVITIES:</b>					
Education	\$ <u>12,476,224</u>	<u>166,717</u>	<u>7,728,288</u>	<u>758,995</u>	<u>(3,822,224)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>12,476,224</u>	<u>166,717</u>	<u>7,728,288</u>	<u>758,995</u>	<u>(3,822,224)</u>
<b>GENERAL REVENUES:</b>					
Revenue from local sources					\$ 233,663
Revenue from state sources					1,381,253
Revenue from federal sources					<u>4,763,795</u>
<b>TOTAL GENERAL REVENUES</b>					<u>6,378,711</u>
<b>CHANGE IN NET ASSETS</b>					2,556,487
<b>NET ASSETS, BEGINNING OF FISCAL YEAR</b>					<u>(232,445)</u>
<b>NET ASSETS, END OF FISCAL YEAR</b>					\$ <u>2,324,042</u>

---

AS OF JUNE 30, 2009

	05700	50000	50100	67200
	<u>PED General Fund</u>	<u>Division of Vocational Rehabilitation</u>	<u>Disability Determination Services</u>	<u>Federal School Food Services Flowthrough</u>
<b>ASSETS:</b>				
Investment in State General Fund				
Investment Pool	\$ 2,936,961	4,566,545	-	-
Federal grants receivable	-	1,752,597	2,538,901	10,469,479
Due from state general fund	-	-	-	-
Due from other state agencies	417,643	102,859	2,746	-
Due from local education authorities	-	-	-	-
Due from external miscellaneous parties	-	-	93,454	-
Due from other funds	788,835	227	-	-
Prepaid expenses	<u>1,800</u>	<u>11,589</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	\$ <u>4,145,239</u>	<u>6,433,817</u>	<u>2,635,101</u>	<u>10,469,479</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 2,967,438	1,505,947	1,073,204	1,723,957
Accrued payroll and taxes	478,947	500,340	276,206	-
Due to State Treasurer's Office - overdraft	-	-	718,059	7,865,370
Due to state general fund	176,321	-	-	-
Due to other state agencies	110,935	254,132	-	-
Due to federal government	5,101	-	-	142,720
Due to local education authorities	-	-	-	-
Deferred revenue	-	61,938	-	-
Due to other funds	391,863	-	-	-
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	4,130,605	2,322,357	2,067,469	9,732,047
<b>FUND BALANCES:</b>				
Reserved	-	-	-	-
Unreserved	<u>14,634</u>	<u>4,111,460</u>	<u>567,632</u>	<u>737,432</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>14,634</u>	<u>4,111,460</u>	<u>567,632</u>	<u>737,432</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ <u>4,145,239</u>	<u>6,433,817</u>	<u>2,635,101</u>	<u>10,469,479</u>



**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Balance Sheet - Governmental Funds**

67300	67400	79000	84400	85800	63400	63500
<u>Federal Dept. of Education Flowthrough</u>	<u>Vocational Education Flowthrough</u>	<u>Special Projects</u>	<u>Federal Dept. of Education Administration</u>	<u>Public School Support Flowthrough</u>	<u>Public School Capital Improvements</u>	<u>Public School Capital Outlay</u>
-	1,434,523	31,048,996	-	40,392,507	5,352,228	1,778,815
67,192,411	2,109,179	-	8,094,314	-	-	-
-	-	406,653	-	-	-	-
-	-	492	-	-	739	-
-	-	77,526	-	68,854	31,418	24,200
-	-	-	7,575	-	-	-
-	3,000	-	391,867	-	-	-
<u>-</u>	<u>-</u>	<u>58,457</u>	<u>1,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>67,192,411</u>	<u>3,546,702</u>	<u>31,592,124</u>	<u>8,495,405</u>	<u>40,461,361</u>	<u>5,384,385</u>	<u>1,803,015</u>
36,216,550	1,993,869	7,665,240	5,259,257	158,041	112,808	10,997
-	-	-	509,691	-	-	-
29,444,999	-	-	6,125,886	-	-	-
-	-	4,553,789	-	40,140,794	-	-
207,503	-	391,776	12,313	222,768	678,657	3,074
1,320,359	1,552,833	-	23,623	9,388	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,000	-	29,504	788,838	-	86,924	-
<u>-</u>	<u>-</u>	<u>29,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
67,192,411	3,546,702	12,669,813	12,719,608	40,530,991	878,389	14,071
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>18,951,815</u>	<u>(4,224,203)</u>	<u>(69,630)</u>	<u>4,505,996</u>	<u>1,788,944</u>
<u>-</u>	<u>-</u>	<u>18,951,815</u>	<u>(4,224,203)</u>	<u>(69,630)</u>	<u>4,505,996</u>	<u>1,788,944</u>
<u>67,192,411</u>	<u>3,546,702</u>	<u>31,621,628</u>	<u>8,495,405</u>	<u>40,461,361</u>	<u>5,384,385</u>	<u>1,803,015</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

**Balance Sheet - Governmental Funds - continued**

81600 Special Capital Outlay Severance Tax Bonds 2004	81800 Special Capital Outlay General Fund	89000 PED Recovery Act Funds	Other Non-major Governmental Funds	Total Governmental Funds
63,486	41,363,600	-	24,432,884	153,370,545
-	-	-	-	92,156,881
-	700,000	-	25,733	1,132,386
631,210	2,792,345	-	1,018,963	4,966,997
-	-	-	387,388	589,386
35,276	-	-	1,492	137,797
34,930	155,692	-	34,930	1,409,481
<u>-</u>	<u>-</u>	<u>-</u>	<u>78,833</u>	<u>152,328</u>
<u>764,902</u>	<u>45,011,637</u>	<u>-</u>	<u>25,980,223</u>	<u>253,915,801</u>
651,378	3,165,363	1,148,780	7,521,122	71,173,951
-	-	-	67,210	1,832,394
-	-	-	219,621	44,373,935
-	2,663,630	-	143,118	47,677,652
34,129	80,000	-	26,933	2,022,220
-	-	-	148,297	3,202,321
39,984	-	-	1,487	41,471
-	39,646,486	-	621,534	40,329,958
39,411	-	-	99,445	1,438,985
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,504</u>
764,902	45,555,479	1,148,780	8,848,767	212,122,391
<u>-</u>	<u>(543,842)</u>	<u>(1,148,780)</u>	<u>17,131,456</u>	<u>41,822,914</u>
<u>-</u>	<u>(543,842)</u>	<u>(1,148,780)</u>	<u>17,131,456</u>	<u>41,822,914</u>
<u>764,902</u>	<u>45,011,637</u>	<u>-</u>	<u>25,980,223</u>	<u>253,945,305</u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Total Fund Balance - Governmental Funds**  
**(Governmental Fund Balance Sheet)** \$ 41,822,914

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds. These assets consist of:

Capital assets	6,051,429
Accumulated depreciation	<u>(5,848,706)</u>

Total capital assets	202,723
----------------------	---------

Some liabilities are not due and payable in the current period and,  
therefore, are not reported in the fund:

Compensated absences payable	<u>(2,064,387)</u>
------------------------------	--------------------

<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u>39,961,250</u></b>
--	-----------------------------

AS OF JUNE 30, 2009	05700	50000	50100	67200
	<u>PED General Fund</u>	<u>Division of Vocational Rehabilitation</u>	<u>Disability Determination Services</u>	<u>Federal School Food Services Flowthrough</u>
<b>REVENUES:</b>				
Federal grants	\$ -	23,482,070	10,503,447	119,065,685
Other revenue	<u>185,114</u>	<u>44,097</u>	<u>71</u>	<u>78,499</u>
<b>TOTAL REVENUES</b>	185,114	23,526,167	10,503,518	119,144,184
<b>EXPENDITURES:</b>				
Current:				
Education	17,017,070	-	-	107,276,848
Health and welfare	-	30,795,601	10,494,450	-
Capital outlay	<u>30,095</u>	<u>28,073</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	17,047,165	30,823,674	10,494,450	107,276,848
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(16,862,051)	(7,297,507)	9,068	11,867,336
<b>OTHER FINANCING SOURCES (USES):</b>				
State general fund appropriations	16,505,683	6,199,000	-	-
Appropriations funded with State Severance Bond Proceeds	-	-	-	-
Other state funds	-	1,122,299	-	-
Reversions to State General Fund - FY09	-	-	-	-
Transfers in:				
Interfund	-	-	-	-
Other	312,979	333,137	150	-
Transfers out:				
Interfund	-	-	-	-
Other	<u>(2,880)</u>	<u>(170,000)</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>16,815,782</u>	<u>7,484,436</u>	<u>150</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(46,269)	186,929	9,218	11,867,336
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	60,903	3,924,531	558,414	(11,129,904)
<b>RESTATEMENTS (NOTE 19)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING - RESTATED</b>	<u>60,903</u>	<u>3,924,531</u>	<u>558,414</u>	<u>(11,129,904)</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	\$ <u>14,634</u>	<u>4,111,460</u>	<u>567,632</u>	<u>737,432</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Funds

67300	67400	79000	84400	85800	63400
Federal Dept. of Education Flowthrough	Vocational Education Flowthrough	Special Projects	Federal Dept. of Education Administration	Public School Support Flowthrough	Public School Capital Improvements
222,592,608	13,294,679	-	25,298,067	-	-
<u>389,205</u>	<u>26,846</u>	<u>(6,132)</u>	<u>35,843</u>	<u>84,494</u>	<u>263,371</u>
222,981,813	13,321,525	(6,132)	25,333,910	84,494	263,371
229,429,289	9,408,207	33,007,099	24,839,644	2,449,047,275	21,828,397
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,054</u>	<u>-</u>	<u>-</u>
229,429,289	9,408,207	33,007,099	24,846,698	2,449,047,275	21,828,397
(6,447,476)	3,913,318	(33,013,231)	487,212	(2,448,962,781)	(21,565,026)
-	-	58,270,548	-	2,474,900,940	-
-	-	-	-	-	21,588,520
-	-	-	-	-	-
-	-	(5,168,817)	-	(40,271,589)	(1,254,295)
12,584,077	-	-	1,052,000	-	-
-	-	-	-	-	32,157
-	-	(13,636,077)	-	-	-
<u>-</u>	<u>-</u>	<u>(233,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>12,584,077</u>	<u>-</u>	<u>39,232,582</u>	<u>1,052,000</u>	<u>2,434,629,351</u>	<u>20,366,382</u>
6,136,601	3,913,318	6,219,351	1,539,212	(14,333,430)	(1,198,644)
(6,136,601)	(3,913,318)	10,307,245	(5,763,415)	14,263,800	5,704,640
<u>-</u>	<u>-</u>	<u>2,425,219</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(6,136,601)</u>	<u>(3,913,318)</u>	<u>12,732,464</u>	<u>(5,763,415)</u>	<u>14,263,800</u>	<u>5,704,640</u>
<u>-</u>	<u>-</u>	<u>18,951,815</u>	<u>(4,224,203)</u>	<u>(69,630)</u>	<u>4,505,996</u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Funds - continued**

63500	81600	81800	89000	Other	Total
Public School Capital Outlay	Special Capital Outlay Severance Tax Bonds 2004	Special Capital Outlay General Fund	PED Recovery Act Funds	Non-major Governmental Funds	Governmental Funds
-	-	-	-	52,640	414,289,196
<u>128,622</u>	<u>7,169</u>	-	-	<u>1,328,307</u>	<u>2,565,506</u>
128,622	7,169	-	-	1,380,947	416,854,702
2,580,970	11,602,997	12,905,678	1,148,780	66,803,386	2,986,895,640
-	-	-	-	54,561	41,344,612
<u>-</u>	<u>-</u>	<u>20,699</u>	<u>-</u>	<u>-</u>	<u>85,921</u>
2,580,970	11,602,997	12,926,377	1,148,780	66,857,947	3,028,326,173
(2,452,348)	(11,595,828)	(12,926,377)	(1,148,780)	(65,477,000)	(2,611,471,471)
-	-	-	-	64,848,660	2,620,724,831
2,580,970	12,530,644	-	-	48,167	36,748,301
-	-	-	-	1,250,000	2,372,299
(13,035)	(816)	(2,783,630)	-	(2,117,437)	(51,609,619)
-	-	-	-	-	13,636,077
-	-	15,206,165	-	-	15,884,588
-	-	-	-	-	(13,636,077)
<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>(445,952)</u>
<u>2,567,935</u>	<u>12,529,828</u>	<u>12,382,535</u>	<u>-</u>	<u>64,029,390</u>	<u>2,623,674,448</u>
115,587	934,000	(543,842)	(1,148,780)	(1,447,610)	12,202,977
1,673,357	(934,000)	73,661,196	-	18,579,066	100,855,914
<u>-</u>	<u>-</u>	<u>(73,661,196)</u>	<u>-</u>	<u>-</u>	<u>(71,235,977)</u>
<u>1,673,357</u>	<u>(934,000)</u>	<u>-</u>	<u>-</u>	<u>18,579,066</u>	<u>29,619,937</u>
<u>1,788,944</u>	<u>-</u>	<u>(543,842)</u>	<u>(1,148,780)</u>	<u>17,131,456</u>	<u>41,822,914</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

YEAR ENDED JUNE 30, 2009

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ 12,202,977

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

In the Statement of Activities, certain operating expenses (compensated absences payable) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The net increase in the liabilities for the year was:

Change in compensated absences payable (336,430)

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. In the current period, these amounts are:

Capital outlay	85,921
Loss on disposal of assets	(40,478)
Depreciation expense	<u>(341,500)</u>

Excess of capital outlay over depreciation expense (296,057)

**Change in net assets of governmental activities (Statement of Activities)** \$ 11,570,490

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds

YEAR ENDED JUNE 30, 2009

	05700 - PED GENERAL FUND			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	-	-	-	-
State general fund appropriations	16,476,200	16,476,200	16,461,200	(15,000)
Other state funds	-	44,000	44,483	483
Other financing sources	309,300	324,300	312,979	(11,321)
Miscellaneous revenue	<u>204,200</u>	<u>219,200</u>	<u>185,114</u>	<u>(34,086)</u>
<b>TOTAL REVENUES</b>	<u>16,989,700</u>	<u>17,063,700</u>	<u>17,003,776</u>	<u>(59,924)</u>
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<u>16,989,700</u>	<u>17,063,700</u>	<u>17,003,776</u>	<u>(59,924)</u>
<b>EXPENDITURES:</b>				
Education:				
Personal services	14,682,100	14,761,030	14,761,992	(962)
Contract services	740,800	824,215	813,614	10,601
Other costs	1,566,800	1,564,585	1,342,769	221,816
Other uses	<u>-</u>	<u>-</u>	<u>2,880</u>	<u>(2,880)</u>
Total education	16,989,700	17,149,830	16,921,255	228,575
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>16,989,700</u>	<u>17,149,830</u>	<u>16,921,255</u>	<u>228,575</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>(86,130)</u>	<u>82,521</u>	<u>168,651</u>
<b>REQUEST TO PAY PRIOR YEAR</b>			<u>\$ (128,790)</u>	



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

	50000 - DIVISION OF VOCATIONAL REHABILITATION			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ 26,460,612	26,777,776	23,482,070	(3,295,706)
State general fund appropriations	6,199,000	6,199,000	6,199,000	-
Other state funds	1,443,700	1,443,700	1,122,299	(321,401)
Other financing sources	324,600	324,600	333,137	8,537
Miscellaneous revenue	<u>-</u>	<u>22,796</u>	<u>44,097</u>	<u>21,301</u>
<b>TOTAL REVENUES</b>	34,427,912	34,767,872	31,180,603	(3,587,269)
<b>BUDGETED FROM FUND BALANCE</b>	<u>79,200</u>	<u>80,596</u>	<u>-</u>	<u>(80,596)</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	34,507,112	34,848,468	31,180,603	(3,667,865)
<b>EXPENDITURES:</b>				
Education:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Health and welfare:				
Personal services	14,337,272	14,530,465	14,037,485	492,980
Contract services	742,854	757,854	572,329	185,525
Other costs	19,426,986	19,560,149	16,188,090	3,372,059
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total health and welfare	<u>34,507,112</u>	<u>34,848,468</u>	<u>30,797,904</u>	<u>4,050,564</u>
<b>TOTAL EXPENDITURES</b>	<u>34,507,112</u>	<u>34,848,468</u>	<u>30,797,904</u>	<u>4,050,564</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	<u>382,699</u>	<u>382,699</u>
<b>REQUEST TO PAY PRIOR YEAR</b>			\$ <u>(25,770)</u>	
<b>NON-BUDGETED TRANSFER</b>			\$ <u>(170,000)</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

<b>50100 - DISABILITY DETERMINATION SERVICES</b>				
	<u>Budgeted Amount</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal grants	\$ 12,136,200	12,136,200	10,503,447	(1,632,753)
State general fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	150	150
Miscellaneous revenue	-	-	71	71
<b>TOTAL REVENUES</b>	<b>12,136,200</b>	<b>12,136,200</b>	<b>10,503,668</b>	<b>(1,632,532)</b>
<b>BUDGETED FROM FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<b>12,136,200</b>	<b>12,136,200</b>	<b>10,503,668</b>	<b>(1,632,532)</b>
<b>EXPENDITURES:</b>				
Education:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
Total education	-	-	-	-
Health and welfare:				
Personal services	6,221,700	6,221,700	4,955,086	1,266,614
Contract services	257,700	257,700	173,236	84,464
Other costs	5,656,800	5,656,800	5,362,865	293,935
Other uses	-	-	-	-
Total health and welfare	12,136,200	12,136,200	10,491,187	1,645,013
<b>TOTAL EXPENDITURES</b>	<b>12,136,200</b>	<b>12,136,200</b>	<b>10,491,187</b>	<b>1,645,013</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>-</b>	<b>12,481</b>	<b>12,481</b>
<b>REQUEST TO PAY PRIOR YEAR</b>			<b>\$ (3,263)</b>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

67200 - FEDERAL SCHOOL FOOD  
SERVICES FLOWTHROUGH

	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ 107,992,600	107,992,600	119,065,685	11,073,085
State general fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	78,499	78,499
<b>TOTAL REVENUES</b>	<b>107,992,600</b>	<b>107,992,600</b>	<b>119,144,184</b>	<b>11,151,584</b>
<b>BUDGETED FROM FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<b>107,992,600</b>	<b>107,992,600</b>	<b>119,144,184</b>	<b>11,151,584</b>
<b>EXPENDITURES:</b>				
Education:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	107,992,600	107,992,600	104,967,112	3,025,488
Other uses	-	-	-	-
Total education	<u>107,992,600</u>	<u>107,992,600</u>	<u>104,967,112</u>	<u>3,025,488</u>
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>107,992,600</u>	<u>107,992,600</u>	<u>104,967,112</u>	<u>3,025,488</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>-</b>	<b>14,177,072</b>	<b>14,177,072</b>
<b>REQUEST TO PAY PRIOR YEAR</b>			<b>\$ (2,309,736)</b>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

67300 - FEDERAL DEPARTMENT OF  
EDUCATION FLOWTHROUGH

	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ 319,080,600	319,080,600	222,592,608	(96,487,992)
State general fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	12,584,077	12,584,077
Miscellaneous revenue	-	-	389,205	389,205
<b>TOTAL REVENUES</b>	<b>319,080,600</b>	<b>319,080,600</b>	<b>235,565,890</b>	<b>(83,514,710)</b>
<b>BUDGETED FROM FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<b>319,080,600</b>	<b>319,080,600</b>	<b>235,565,890</b>	<b>(83,514,710)</b>
<b>EXPENDITURES:</b>				
Education:				
Personal services	-	-	-	-
Contract services	-	1,856,726	927,484	929,242
Other costs	319,080,600	317,223,874	219,298,822	97,925,052
Other uses	-	-	-	-
Total education	<u>319,080,600</u>	<u>319,080,600</u>	<u>220,226,306</u>	<u>98,854,294</u>
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>319,080,600</u></b>	<b><u>319,080,600</u></b>	<b><u>220,226,306</u></b>	<b><u>98,854,294</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ <u>-</u></b>	<b><u>-</u></b>	<b><u>15,339,584</u></b>	<b><u>15,339,584</u></b>
<b>REQUEST TO PAY PRIOR YEAR</b>			<b>\$ <u>(9,202,983)</u></b>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

	<b>67400 - VOCATIONAL EDUCATION FLOWTHROUGH</b>			
	<b>Budgeted Amount</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Federal grants	\$ 11,313,800	12,413,800	13,294,679	880,879
State general fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	26,846	26,846
<b>TOTAL REVENUES</b>	11,313,800	12,413,800	13,321,525	907,725
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	11,313,800	12,413,800	13,321,525	907,725
<b>EXPENDITURES:</b>				
Education:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	11,313,800	12,413,800	8,822,649	3,591,151
Other uses	-	-	-	-
Total education	11,313,800	12,413,800	8,822,649	3,591,151
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
Total health and welfare	-	-	-	-
<b>TOTAL EXPENDITURES</b>	11,313,800	12,413,800	8,822,649	3,591,151
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	-	4,498,876	4,498,876
<b>REQUEST TO PAY PRIOR YEAR</b>			\$ (585,558)	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

	79000 - SPECIAL PROJECTS			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State general fund appropriations	27,050,300	57,550,648	58,270,548	719,900
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	<u>-</u>	<u>-</u>	<u>(6,132)</u>	<u>(6,132)</u>
<b>TOTAL REVENUES</b>	27,050,300	57,550,648	58,264,416	713,768
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>5,647,179</u>	<u>-</u>	<u>(5,647,179)</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	27,050,300	63,197,827	58,264,416	(4,933,411)
<b>EXPENDITURES:</b>				
Education:				
Personal services	412,200	512,200	419,646	92,554
Contract services	8,497,936	17,382,985	12,583,850	4,799,135
Other costs	18,040,964	45,203,442	19,260,895	25,942,547
Other uses	<u>99,200</u>	<u>99,200</u>	<u>13,869,149</u>	<u>(13,769,949)</u>
Total education	<u>27,050,300</u>	<u>63,197,827</u>	<u>46,133,540</u>	<u>17,064,287</u>
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>27,050,300</u>	<u>63,197,827</u>	<u>46,133,540</u>	<u>17,064,287</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	<u>12,130,876</u>	<u>12,130,875</u>
<b>REQUEST TO PAY PRIOR YEAR NON-BUDGETED REVERSION</b>			\$ <u>(742,708)</u>	\$ <u>(5,168,817)</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

84400 - FEDERAL DEPARTMENT OF  
EDUCATION ADMINISTRATION

	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ 44,970,500	44,990,500	25,298,067	(19,692,433)
State general fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	1,052,000	1,052,000
Miscellaneous revenue	-	-	35,843	35,843
<b>TOTAL REVENUES</b>	44,970,500	44,990,500	26,385,910	(18,604,590)
<b>BUDGETED FROM FUND BALANCE</b>	-	49,713	-	(49,713)
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	44,970,500	45,040,213	26,385,910	(18,654,303)
<b>EXPENDITURES:</b>				
Education:				
Personal services	7,645,400	7,645,400	6,723,066	922,334
Contract services	26,943,800	26,953,800	15,266,875	11,686,925
Other costs	10,381,300	10,441,013	1,810,820	8,630,193
Other uses	-	-	-	-
Total education	44,970,500	45,040,213	23,800,761	21,239,452
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
Total health and welfare	-	-	-	-
<b>TOTAL EXPENDITURES</b>	44,970,500	45,040,213	23,800,761	21,239,452
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	-	2,585,149	2,585,148
<b>REQUEST TO PAY PRIOR YEAR</b>			\$ (1,045,937)	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

85800 - PUBLIC SCHOOL SUPPORT FLOWTHROUGH				
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State general fund appropriations	2,430,088,040	2,474,841,640	2,474,900,940	59,300
Other state funds	-	-	-	-
Other financing sources	750,000	750,000	-	(750,000)
Miscellaneous revenue	-	-	84,494	84,494
<b>TOTAL REVENUES</b>	<u>2,430,838,040</u>	<u>2,475,591,640</u>	<u>2,474,985,434</u>	<u>(606,206)</u>
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<u>2,430,838,040</u>	<u>2,475,591,640</u>	<u>2,474,985,434</u>	<u>(606,206)</u>
<b>EXPENDITURES:</b>				
Education:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	2,430,838,040	2,475,591,640	2,449,047,275	26,544,365
Other uses	-	-	-	-
Total education	<u>2,430,838,040</u>	<u>2,475,591,640</u>	<u>2,449,047,275</u>	<u>26,544,365</u>
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>2,430,838,040</u>	<u>2,475,591,640</u>	<u>2,449,047,275</u>	<u>26,544,365</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>25,938,159</u>	<u>25,938,159</u>
<b>NON-BUDGETED REVERSION</b>			<u>\$ (40,271,589)</u>	



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
Statements of Revenues and Expenditures -  
Budget and Actual - Major General  
and Special Revenue Funds - continued

YEAR ENDED JUNE 30, 2009

		89000 - ARRA FUND			
		AMERICAN RECOVERY AND INVESTMENT ACT - EDUCATION			
		Budgeted Amount		Actual	Variance
		Original	Final	Amount	Positive (Negative)
<b>REVENUES:</b>					
	Federal grants	\$ 87,595,438	87,595,438	1,148,779	(86,446,659)
	State general fund				
	appropriations	-	-	-	-
	Other state funds	-	-	-	-
	Other financing sources	-	-	-	-
	Miscellaneous revenue	-	-	-	-
	<b>TOTAL REVENUES</b>	<u>87,595,438</u>	<u>87,595,438</u>	<u>1,148,779</u>	<u>(86,446,659)</u>
	<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<u>87,595,438</u>	<u>87,595,438</u>	<u>1,148,779</u>	<u>(86,446,659)</u>
<b>EXPENDITURES:</b>					
	Education:				
	Personal services	-	-	-	-
	Contract services	-	-	-	-
	Other costs	87,595,438	87,595,438	1,148,779	86,446,659
	Other uses	-	-	-	-
	Total education	<u>87,595,438</u>	<u>87,595,438</u>	<u>1,148,779</u>	<u>86,446,659</u>
	Health and welfare:				
	Personal services	-	-	-	-
	Contract services	-	-	-	-
	Other costs	-	-	-	-
	Other uses	-	-	-	-
	Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>TOTAL EXPENDITURES</b>	<u>87,595,438</u>	<u>87,595,438</u>	<u>1,148,779</u>	<u>86,446,659</u>
	<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>REQUEST TO PAY PRIOR YEAR</b>			<u>\$ -</u>	

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Fiduciary Net Assets**

---

**AS OF JUNE 30, 2009**

	<b>Private Purpose Trusts 61600 &amp; 99300</b>	<b>Agency Fund 57300</b>
	<u>61600 &amp; 99300</u>	<u>57300</u>
<b>ASSETS:</b>		
Cash	\$ 42,575	2,556,854
Certificate of Deposit	20,000	-
Due from other state agencies	<u>6</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>62,581</u></b>	<b><u>2,556,854</u></b>
<b>LIABILITIES:</b>		
Due to external party	\$ -	2,556,854
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>2,556,854</u>
<b>NET ASSETS:</b>		
Reserved for scholarships	<u>62,581</u>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>62,581</u></b>	

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Changes in Fiduciary Net Assets**

---

**YEAR ENDED JUNE 30, 2009**

	<b>Private Purpose Trusts <u>61600 &amp; 99300</u></b>
<b>ASSETS:</b>	
Investment earnings:	
Interest	\$ <u>965</u>
<b>DEDUCTIONS:</b>	
Scholarship expense	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	965
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>61,616</u>
<b>NET ASSETS, END OF YEAR</b>	\$ <u><u>62,581</u></u>

## **NATURE OF ORGANIZATION**

The State of New Mexico Public Education Department (Department) is responsible for establishing and implementing standards for education and providing administrative services, including school budgeting and reporting, and for educational and vocational rehabilitation programs in the State of New Mexico. Specific programs focus on a number of services, including regulatory enforcement, information dissemination, and vocational rehabilitation for physically and mentally handicapped citizens, and adjudication of disability and supplementary security claims for the general vocational rehabilitation program.

The elected 10-member Public Education Commission (Commission) serves in an advisory capacity in accordance with laws enacted by the New Mexico State Legislature during the 2004 Regular Session. The Commission has approved state-chartered status to nine schools as described in note 22 and reported in Volume II of these financial statements.

The chief executive officer of the Department is the Secretary of Education, a cabinet secretary appointed by the governor and confirmed by the New Mexico Senate. The Department's functions are administered through the Public Education Department (PED), the Division of Vocational Rehabilitation (DVR) and its subdivision, Disability Determination Services (DDS).

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. 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. The more significant of these accounting policies are described below.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- **Reporting Entity**

GASB 14 (as amended by GASB 39), define the financial reporting entity as consisting of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Considered as discretely presented component units of the Department are Cien Aguas International School, Cottonwood Classical Preparatory School, Horizon Academy West, The International School of Mesa del Sol, Media Arts Collaborative Charter School, The New America School, North Valley Academy, School of Dreams Academy and Taos Academy (Charter Schools).

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

- **Reporting Entity – continued**

**Component Units – New Mexico State-Chartered Schools** During the fiscal year ended June 30, 2009 as noted before, state-chartered schools received state authorization and will operate discretely under the Department, similar to a school district. The New Mexico Public Education Commission authorized the state-chartered schools and will supervise the state-chartered schools. Financial statement reporting will be presented in the Department's financial statements as component units.

The Department is an agency of the State of New Mexico, which is the primary government, pursuant to the Public Schools Act Section 22-2-1 through 22-2-20. These financial statements include all funds over which the Cabinet Secretary has authority.

- **Basic Financial Statements**

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. The reporting model focus is on either the Department as a whole, or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. The Department is a single purpose government entity and has no business-type activities. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reflected on a full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term obligations.

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.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (education, labor, transportation, etc.) that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function of an activity. The Department includes two functions (education, and health and welfare). When an expense is incurred for purposes when both restricted and unrestricted resources are available, the Department utilizes the restricted resources first.

The net cost by function is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity. Since the Department only has one program, it does not employ indirect cost allocation in the financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Basic Financial Statements - continued**

Provided in the additional information schedule is a breakdown of the government-wide financial statements showing the Division of Vocational Rehabilitation net assets and activities separate from the Department. These schedules are for informational purposes only and are not presented in accordance with generally accepted accounting standards. Therefore, they are not presented in the basic financial statements.

This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the current fiscal period.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds. Non-major funds (by category) are summarized into a single column.

The governmental fund statements are presented on a current financial resource measurement focus and modified accrual basis of accounting. This presentation is deemed more appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Department's actual expenses conform to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund-based financial statements into the government-wide presentation.

The Department's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

• **Basis of Presentation**

The financial transactions of the Department are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses, and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the Department are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and descriptions of each existing fund type follow:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - continued

**Governmental funds** are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

General Fund – The primary operating funds of the Department accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds – These account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

**Fiduciary funds** are 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 Department. Agency and trust funds are custodial in nature and do not involve measurement of results of operations.

Private-purpose Trust Funds – These funds are used to account for trust arrangements under which principal or interest benefits specific individuals or organizations, but not the reporting government.

Agency Funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

The major funds presented in the financial statements include the following:

**PED General Fund (05700)** - The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is funded primarily from appropriations from the State of New Mexico General Fund. This is a reverting fund.

**Division of Vocational Rehabilitation (50000)** – This fund accounts for all operations of the DVR, except for those of Disability Determination Services. This is a non-reverting fund. This fund is considered major because of its importance to the users of the financial statements.

**Disability Determination Services (50100)** – This fund accounts for the operations of the Disability Determination Services Unit. This is a non-reverting fund. This fund is considered major because of its importance to the users of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - continued

**Federal School Food Services Flowthrough (67200)** – This fund accounts for federal grant funds from the U.S. Department of Agriculture. This is a non-reverting fund.

**Federal Department of Education Flowthrough (67300)** – This fund accounts for most of the federal education programs from the U.S. Public Education Department. This is a non-reverting fund.

**Vocational Education Flowthrough (67400)** – This fund accounts for federal grant funds for vocational education. This is a non-reverting fund. This fund is considered major because of its importance to the users of the financial statements.

**Special Projects (79000)** – The Special Projects Flowthrough fund accounts for the receipts and disbursements of state special appropriations for a variety of projects, as appropriated by the State of New Mexico Legislature, and consists of reverting and non-reverting funds. The Special Projects Flowthrough fund was established by the Legislature (48th Legislature, 1st Session, Chapter 28) and amended by Senate Bill 165 of 2008.

**Federal Department of Education Administration (84400)** – The Federal Department of Education Administration Flowthrough fund accounts for administrative expenses except those required to be accounted for in another fund. It is funded primarily from appropriations from grant funds. This is a non-reverting fund. This fund is considered major because of its importance to the users of the financial statements.

There is a deficit fund balance in the Federal Department of Education Administration Fund (84400) of \$4.2 million. Prior to 2004, federal administrative revenues and expenditures were recorded in the General Operating Fund, 05700. Beginning in 2004, the Department created a new fund, 84400, to separately track federal administrative funds. Federal revenues and receivables were not properly reconciled for a number of years in Fund 05700. In 2005, the Department reconciled the ending federal receivable amounts in Funds 05700 and 84400, and then transferred the remaining balances in 05700 to 84400. In FYE 2008, after further reconciliation, the deficit fund balance was \$5.7 million; of this amount \$1,051,954 could not be identified as either write-offs or prior year receivables or prior year expenditures for which revenues had not been accrued. In FYE 09, the Department was successful in securing a special appropriation to eliminate this unidentified amount. Amounts due from the Federal Government for the remainder of the deficit have been identified as amounts for which the Department will not be reimbursed due to time limitations or excess spending in prior years leaving the remaining deficit balance of \$4.2 million.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - continued

**Public School Support Flowthrough (85800)** – The Public School Support Flowthrough fund is used in the accounting of distributions to school districts for the State Equalization Guarantee, Transportation and Supplemental Distributions programs. Financing is provided through State General Fund appropriations. This is a reverting fund.

**Public School Capital Improvements (63400)** – The Public School Capital Improvements fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, § 22-25-1 and 22-25-10). Funds remaining after the completion of capital projects are to be reverted.

**Public School Capital Outlay (63500)** – The Public School Capital Outlay fund accounts for the proceeds of certain bonds, lottery proceeds and general fund appropriations used to meet critical school district capital outlay needs that cannot be met by a school district after it has exhausted all available resources (NMSA 1978, § 22-24-4). This is a non-reverting fund.

**Special Capital Outlay – Severance Tax Bonds (2004) (81600)** – The fund, established in 2004, accounts for severance tax bond proceeds appropriated to the Public Education Department. Funds remaining after the completion of capital projects are to be reverted.

**Special Capital Outlay – General Fund (2000) (81800)** – The fund, established in 2000, accounts for general fund appropriations for special capital outlay projects. Funds remaining after the completion of capital projects are to be reverted.

**PED American Recovery and Reinvestment Act (ARRA) Fund (89000)** - The American Recovery and Reinvestment Act (ARRA) Fund was established in 2009 and is funded by the Federal government. This is a non-reverting fund.

• Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Fiduciary Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis. Under the accrual method of accounting, revenues are recognized when earned and expenditures are recognized when incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Basis of Accounting - continued**

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis using the economic resources measurement focus and the accrual basis of accounting, incorporating long-term assets and receivables as well as long-term debt and obligations.

• **Accrual**

Revenues are recognized when earned and expenses are recognized when incurred.

• **Modified Accrual**

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Department defines the term "available" to include funds received within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Revenues from special appropriations (capital projects) that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other State and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received if they are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities at the government-wide level only. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB No. 33 (as it relates to non-exchange and exchange transactions), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Modified Accrual - continued**

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 Department has elected not to follow subsequent private-sector guidance.

• **Budgets and Budgetary Accounting**

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, "For the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration." The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year's budget. Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the appropriation level.

The discretely presented component units use the Non-GAAP budgetary basis which is cash basis.

The budget-to-actual comparisons for the capital projects funds, which are based on multiple year appropriations budgets, are presented in supplemental schedules to the financial statements as Multi-Year Budgeted Schedules.

The Department follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than September 1, the Department submits to the Budget Division of DFA and the Legislative Finance Committee (LFC) an appropriations request for the fiscal year commencing the following July 1. The appropriations request includes proposed expenditures and the means of financing them.
- Budget hearings are scheduled with DFA and LFC. Budget recommendations are prepared by the above agencies. The two budget recommendations are submitted for the upcoming legislative session.
- Budget hearings are scheduled before the Appropriations Committee of the New Mexico House of Representatives and Senate. The final outcome of these hearings is incorporated into the General Appropriations Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Budgets and Budgetary Accounting – continued**

- The Governor of the State of New Mexico signs the General Appropriations Act into law within the legally prescribed time limit.
- Not later than May 1, the Department submits an annual operating budget request to the Budget Division of DFA, which reviews the request and subsequently approves the budget based upon the appropriation made by the Legislature. All subsequent budget transfers and increases must be authorized by the Director of the Budget Division. The budgets for the year ended June 30, 2007 have been so adjusted.
- Legal budgetary control for expenditures and encumbrances is by category of the appropriation unit.
- Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and Special Revenue Funds.

Over-expended appropriation units presented in the Budget to actual schedules are disclosed as a finding in finding 07-21.

The unexpended and unencumbered State General Fund appropriation to the Department lapses at year end and reverts to the State General Fund. The Department may also receive funding from various special appropriations.

The language of a particular special appropriation determines when it lapses and whether or not unexpended and unencumbered balances revert to the State General Fund. See Note 15 for specific funds subject to annual reversion to State General Fund. See Note 23 for budget information on Component Units.

• **Cash Deposits**

The Department is required by statute to deposit any money received into the State Treasury. Balances maintained at the end of the day are pooled and invested by the New Mexico State Treasurer in repurchase agreements. The New Mexico State Treasurer issues separate financial statements that disclose the collateral pledged to secure these deposits, categories of risk involved, and the market value of purchased investments, which may differ from the cash deposited by the Department.

• **Short-term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur among individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as “interfund receivables/payables”.

• **Federal Grants Receivable**

Amounts listed as Federal grants receivable are reimbursements due for passthrough funds. No allowance for uncollectible amounts has been made since these are expected to be reimbursed in full.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Advances to Local Education Agencies**

The Department passes through federal funding to the local school districts. The Department normally pays the school on a reimbursement basis, but the Department also advances funding to schools. Schools are required to spend the advanced funds in the school year budgeted. As the schools report their expenditures on a monthly basis, the Department relieves the receivable and records federal expenditures. Unspent funds are to be returned to the Department, which in turn are returned to the federal grantor by the Department. Because the Department has the ability to reduce funding in subsequent years to compensate for unspent funds that are not returned, the advances are considered fully collectible.

• **Capital Assets**

Equipment, software and computer equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The State's capitalization policy (i.e., the dollar value above which asset acquisitions are added to the capital accounts) is \$5,000. The Department does not capitalize any interest with regard to its capital assets.

In fiscal year 2006, the capitalization policy changed from \$1,000 to \$5,000 for capitalizing capital assets. The Department has elected to include assets that cost less than \$5,000 but equal to or more than \$1,000, and were purchased prior to July 1, 2005, on their capital asset inventory and financial statements.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Department utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computing Equipment and Software - 3 years  
Equipment - 5 to 7 years

Capital assets for the governmental funds are recorded on the government-wide financial statements.

• **Compensated Absences Payable**

Vacation and sick leave earned and not taken is cumulative; however, upon termination of employment, pay for sick leave hours accumulated up to 600 hours is forfeited, and vacation pay is limited to payment for 240 hours. Vacation leave up to the maximum of 240 hours is payable upon separation from service at the employee's current hourly rate. Sick leave is payable semiannually to qualified employees for hours accumulated above 600 hours at a rate equal to 50% of their hourly rate, not to exceed 120 hours each semiannual period. Upon retirement, payment for sick leave is limited to 400 hours accumulated in excess of 600 hours at the 50% hourly rate.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

• **Compensated Absences Payable - continued**

Vacation and sick time is reported as a liability in the government-wide financial statements, with expenses being reported during the period that leave is accrued. The fund financial statements report expenditures during the period that employees are actually paid, or when compensated absences are liquidated with expendable financial resources from the operational portion of state general fund appropriations.

• **Reservations of Fund Balances**

Reservations of fund balances on the governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated, or (2) identify the portion of the fund balance that is not appropriated for future expenditures. Specific reservations of fund balance accounts are summarized below:

Reserved for Encumbrances – This reserve represents the portion of fund balance that relates to multi-year appropriations that are reserved for subsequent period expenditures.

Substantially all governmental fund revenues are accrued.

Expenditures are recognized when the related fund liability is incurred, except for the following permitted by accounting principles generally accepted in the United States of America:

Bond proceed appropriations are recorded as expenditures are incurred and all eligibility requirements have been met.. Bond proceeds are allocated to the Department by the legislature and the Department is not obligated in any manner for the related indebtedness. Bond proceeds may be subject to certain use restrictions, such as reversions, of the bond statements, appropriations or both.

Prepaid expenses are reported in the period in which the prepaid items are used, rather than in the period purchased.

• **Net Assets**

The government-wide financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

**Investment in Capital Assets (net of related debt)** is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The Department did not have any related debt during the year ended June 30, 2009.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- Net Assets - continued

**Restricted Assets** are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations (legally restricted) on their use. The Department reported restricted net assets at June 30, 2009, all of which is restricted by enabling legislation as follows:

**PED:**

Special Projects	\$ 18,981,319
Public Education Support	4,505,996
Other Educational Programs	<u>17,131,456</u>
Total	\$ <u>40,618,771</u>

**State-Chartered Schools:**

Restricted for prepaid expenses	\$ 128,960
Restricted for special revenue funds	<u>1,921,117</u>
Total	\$ <u>2,050,077</u>

**Unrestricted Assets** represent the excess of total assets over total liabilities and net assets – invested in capital assets at June 30, 2009.

- Interfund Transactions

Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation.

Services provided, deemed to be at market value, are treated as revenues and expenditures. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between funds are netted at the government-wide level.

- Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Deferred Revenues**

Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, deferred revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or deferred revenue balances caused by differences in the timing of cash reimbursements and expenditures will be reversed or returned to the grantor in the remaining grant period.

• **Severance Tax Bonds Proceeds**

While the Department receives severance tax bond proceeds appropriated to the capital projects funds for projects specified by the Legislature, it has no obligation for repayment of the bonds and reports no liability for severance tax bonds payable in its financial statements. These bonds are obligations of the State of New Mexico's Comprehensive Annual Financial Report, or CAFR, issued by the State Controller's Office. The CAFR can be obtained by contacting the State Controller at the Bataan Memorial Building, Santa Fe, NM 87501.

2. CASH AND INVESTMENTS

Cash balances at June 30, 2009 consisted of cash invested with the New Mexico State Treasurer, known as the State General Fund Investment Pool. In general, state statutes require that all deposits held by the New Mexico State Treasurer be collateralized at a minimum level of 50%. The New Mexico State Treasurer is in compliance with this requirement. Separate financial statements of the New Mexico State Treasurer indicate collateral, categories of risk and market value of purchased investments, which may differ from the cash deposited by the Department.

Total cash and certificate of deposit (CD), all funds	\$ <u>109,039,185</u>
Reconciliation to financial statements:	
Governmental funds, on deposit with New Mexico State Treasurer	\$ 108,996,610
Trust funds, on deposit with New Mexico State Treasurer and CD	<u>42,575</u>
Total cash balance	\$ <u>109,039,185</u>

The cash on deposit with the New Mexico State Treasurer's State General Fund Investment Pool is monitored by the office for purposes of collateralization in compliance with Section 6-10-17, NMSA 1978. The Department has been authorized by the NM State Treasurer's Office to carry a negative cash balance (cash overdraft) due to the administration of the cost reimbursement grants..



**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

---

**2. CASH AND INVESTMENTS - continued**

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer's State General Fund Investment Pool, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2009.

The Eva Lou Kelly Scholarship trust fund has a certificate of deposit with a local bank. The certificate matures February 15, 2010. The interest rate is 3.21%, payable monthly. The certificate is fully insured by the FDIC and is in the name of the trust fund. Market value approximates cost.

Charter Bank, Santa Fe, NM:	
Certificate of deposit	\$ 20,000
FDIC insurance	_____ (20,000)
 Uninsured amount	 \$ _____

• **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Department does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

• **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The New Mexico State Treasurer's Office General Fund Investment Pool is not rated for credit risk.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

**3. DUE FROM STATE AGENCIES**

Transactions that occur among state agencies under legislative mandate, exchange transactions and other situations are accounted for in the financial statements which make up the due from and due to (Note 6) other state agencies. The due from other governments as of June 30, 2009 consists of the following:

<b>SHARE Fund No.</b>	<b>Agency</b>	<b>Other Agency Fund No.</b>	<b>Amount</b>
DVR			
50000	Department of Finance and Administration (DFA)	34100	\$ 102,859
50100	Department of Finance and Administration (DFA)	34100	2,746
00500	State Treasurer Office	80100	444
05700	Department of Finance and Administration (DFA)	34100	417,643
33400	State Treasurer Office	80100	217
51300	Department of Finance and Administration (DFA)	34100	1,000,000
51300	State Treasurer Office	80100	776
56200	State Treasurer Office	80100	188
56800	Department of Finance and Administration (DFA)	34100	17,199
56800	State Treasurer Office	80100	34
63400	Department of Finance and Administration (DFA)	34100	739
63900	State Treasurer Office	80100	16
66000	State Treasurer Office	80100	89
79000	Department of Finance and Administration (DFA)	34100	492
81600	New Mexico State Board of Finance	00001	631,210
81800	New Mexico State Board of Finance	00001	<u>2,792,345</u>
	Total due from other governments		\$ <u>4,966,997</u>

Due from State Agencies – Agency Fund

<b>SHARE Fund No.</b>	<b>Agency</b>	<b>Other Agency Fund No.</b>	<b>Amount</b>
61600	State Treasurer's Office	80100	\$ <u>6</u>
			\$ <u>6</u>

Advances to local education agencies of \$589,386 consist of federal program advances passed through to the various schools and school districts.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

**4. INTERFUND BALANCES**

The following is an analysis of amounts shown as due from and due to other funds:

Amounts Due from Other Funds		Amounts Due to Other Funds	
SHARE Fund No.	Amount	SHARE Fund No.	Amount
50000	\$ 227	28000	(227)
05700	788,835	05700	\$ (391,863)
67400	3,000	20160	(64,287)
81300	34,930	63300	(1)
81600	34,930	63400	(86,924)
81800	155,692	67300	(3,000)
84400	391,867	81300	(34,930)
	-	81600	(39,411)
	-	84400	(788,838)
	1,409,481		(1,409,481)

The interfund balances are a result of reimbursements owed between the funds, and are expected to be paid within one year.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

**5. CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Adjustments / Deletions</u>	<u>Balance June 30, 2009</u>
PED:				
Equipment	\$ 3,746,475	57,848	(35,068)	3,769,255
Art acquisitions	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>5,800</u>
Total PED	3,752,275	57,848	(35,068)	3,775,055
DVR/DDS:				
Equipment	3,140,185	28,073	(891,884)	2,276,374
Total Department:				
Equipment	6,886,660	85,921	(926,952)	6,045,629
Art acquisitions	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>5,800</u>
Subtotal	6,892,460	85,921	(926,952)	6,051,429
Accumulated depreciation:				
PED - Equipment	(3,522,956)	(228,935)	-	(3,751,891)
DVR/DDS - Equipment	<u>(2,870,724)</u>	<u>(112,565)</u>	<u>886,474</u>	<u>(2,096,815)</u>
Subtotal	<u>(6,393,680)</u>	<u>(341,500)</u>	<u>886,474</u>	<u>(5,848,706)</u>
Total	\$ <u>498,780</u>	<u>(255,579)</u>	<u>(40,478)</u>	<u>202,723</u>

Depreciation expense was charged to functions in the Department as follows:

PED - Education	\$ (228,935)
DVR - Health and welfare	<u>(112,565)</u>
	\$ <u><u>(341,500)</u></u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

**6. DUE TO OTHER GOVERNMENTS**

Total due to other governments at June 30, 2009 is as follows:

Due to other state agencies:

<b>SHARE Fund No.</b>	<b>Agency</b>	<b>Other Agency Fund No.</b>	<b>Amount</b>
50000	Department of Finance & Administration (DFA)	34100	\$ 254,132
28000	Department of Finance & Administration (DFA)	34100	263
05700	Department of Finance and Administration (DFA)	34100	110,935
63400	New Mexico State Board of Finance	00001	678,657
63500	New Mexico State Board of Finance	00001	3,074
66100	New Mexico State Board of Finance	00001	26,670
67300	Department of Finance and Administration (DFA)	34100	207,503
79000	Department of Finance and Administration (DFA)	34100	391,776
81600	New Mexico State Board of Finance	00001	34,129
81800	New Mexico State Board of Finance	00001	80,000
84400	Department of Finance and Administration (DFA)	34100	12,313
85800	Department of Finance and Administration (DFA)	34100	<u>222,768</u>
Total Due to Other Governments			2,022,220

**7. COMPENSATED ABSENCES**

A summary of changes in compensated absences is as follows:

	<b>Balance <u>June 30, 2008</u></b>	<b><u>Increase</u></b>	<b><u>Decrease</u></b>	<b>Balance <u>June 30, 2009</u></b>	<b>Current <u>Portion</u></b>
PED	\$ 860,847	919,212	(609,523)	1,170,536	1,170,536
DVR/DDS	<u>867,110</u>	<u>60,601</u>	<u>(33,860)</u>	<u>893,851</u>	<u>893,851</u>
Total	<u>\$ 1,727,957</u>	<u>979,813</u>	<u>(643,383)</u>	<u>2,064,387</u>	<u>2,064,387</u>

PED compensated absences are typically liquidated with fund 05700 and 84400 resources. DVR/DDS compensated absences are typically liquidated with fund 50000 and 50100 resources. These compensated absences balances are paid within one year.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

**8. SPECIAL APPROPRIATIONS**

A summary of the special appropriations, fund 79000, is as follows:

Legislation	Appropriation Period	Appropriation Amount	Expenditures to Date	Outstanding Encumbrances	Unencumbered Balances	Remaining Balance to Expend
Laws 2007, Ch 21, 28, 109	2007 - 2008	\$ 30,247,725	(28,547,412)	1,700,313	-	1,700,313
Laws of 2008, Ch 3, 6	2008 - 2009	51,747,548	(46,438,032)	5,300,516	-	5,309,516
Laws of 2009, Ch 124	2009 - 2010	<u>12,500,000</u>	<u>(528,510)</u>	<u>-</u>	<u>11,971,490</u>	<u>11,971,490</u>
Total 2009		\$ <u>94,495,273</u>	<u>(75,513,954)</u>	<u>7,000,829</u>	<u>11,971,490</u>	<u>18,981,319</u>

**9. COMMITMENTS AND CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including accounts 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 Department expects such amounts, if any, to be immaterial.

• **Litigation**

There are several pending and/or threatened lawsuits in which the Department is involved. Generally, these matters are insured by the Risk Management Division (RMD) of the New Mexico General Services Department. The Department's attorneys estimate that the potential claims against the Department not covered by insurance resulting from such litigation would not materially affect the financial statements of the Department.

• **Lease Commitments**

The Department has commitments for office space and equipment under operating lease agreements. Lease terms for office space range from one to twenty years and generally contain renewal options. Lease terms for office equipment range from one to five years. Rental expenditures for the year ended June 30, 2009, totaled \$3, 823,931. Future minimum lease payments are as follows:

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

9. COMMITMENTS AND CONTINGENCIES - continued

• Lease Commitments - continued

Years ending June 30,		<u>PED</u>	<u>DVR/DDS</u>	<u>Total</u>
2010	\$	242,828	1,789,484	2,032,312
2011		53,240	1,610,216	1,663,456
2012		2,826	1,611,719	1,614,545
2013		-	1,543,703	1,543,703
2014		-	1,563,317	1,563,317
2015-thereafter		<u>-</u>	<u>5,898,343</u>	<u>5,898,343</u>
Total	\$	<u>298,894</u>	<u>14,016,782</u>	<u>14,315,676</u>

10. DEFERRED COMPENSATION

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State of New Mexico employees and those local government and school district employees whose employers have elected participation in the plan, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. All amounts of compensation deferred under such plans, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are solely the property of the plan participants and their beneficiaries. The Department does not participate in the administration of these plans and it is the opinion of the Department's counsel that the Department has no liability for any losses that may arise as a result of participation in such plans. Neither the Department nor the State of New Mexico makes any contributions to the deferred compensation plan. All contributions withheld from participants by DFA have been paid to the appropriate compensation plan.

**11. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

• **Plan Description**

Substantially all of the Department's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) 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 and beneficiaries. PERA 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 PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

• **Funding Policy**

Plan members are required to contribute from 4.78% to 7.42% of their gross salary. The Department is required to contribute 16.59% of the gross covered salary. From the 2009 legislative session House Bill 854 temporarily shifts the burden of 1.5% of employer PERA contributions to state employees whose annual salaries exceed \$20,000. For the two-year period from July 1, 2009 to June 30, 2011, the employer contribution rates will be reduced by 1.5% and the employee contribution rates will be increased by 1.5%. After this temporary shift the burden will return to the employer. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2009, 2008 and 2007 were \$3,805,672, \$4,352,738 and \$3,361,888, respectively, which equal the amount of the required contributions for each fiscal year.

• **Plan Description**

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

• **Funding Policy**

Plan members are required to contribute 7.42% of their gross salary. The Department is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until



12. **PENSION PLAN – EDUCATIONAL RETIREMENT BOARD - continued**

• **Funding Policy - continued**

July 1, 2011, when the employer contribution will be 13.9%. The contribution requirements of plan members and the Department are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007 were \$793,226, \$731,386 and \$651,426, respectively, which equal the amount of the required contributions for each fiscal year.

13. **POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

• **Plan Description**

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

• **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

**13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN - continued**

• **Funding Policy - continued**

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](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Department's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$372,558, \$345,231 and \$340,453, respectively, which equal the required contributions for each year.

**14. RISK MANAGEMENT**

The Department, as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico.

Annual premiums are paid by the Department to the Risk Management Division for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

At June 30, 2009, the Department had no claims that Risk Management Division returned as not covered, which would become the responsibility of the Department. To obtain the separately issued financial statements, contact General Services Department, PO Box 26110, Santa Fe, New Mexico 87502-6110.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

15. REVERSIONS

The following funds are reverting and the Department provided a liability for reversions listed in the operating statements as follows:

Laws	Reversion
Laws of 1994	\$ 26,670
Laws of 2001	778,334
Laws of 2002	5,100
Laws of 2003	207,969
Laws of 2004	51,104
Laws of 2005	1,141,866
Laws of 2006	1,155,946
Laws of 2007	156,145
Laws of 2008	7,993,253
Laws of 2009	<u>40,093,232</u>
Total	\$ <u>51,609,619</u>

16. SPECIAL REVENUE AND CAPITAL PROJECT FUNDS

**SHARE Fund**

**Special Revenue**

- 00500 Schools in Need of Improvement. This fund is used to make school improvements to school districts in need of upgrades. This fund was created by New Mexico Legislature 22-2-C NMSA 1978. Appropriations to this fund do not revert back to another fund at the end of their appropriation period.
- 20160 Educational Technology Deficiencies Correction. Money in the fund is appropriated for the purpose of implementing the provisions of the Technology for Education Act (NMSA 1978 § 22-15A-1). This is a state funded project (NMSA 1978 § 22-15A-8 and NMSA 1978 § 22-15A-11). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 28000 Access-to-Telework Funds (ATF). The ATF is a permanent loan guarantee fund comprised of a one-time Federal Grant that has a 10% State match. The funds are deposited in an interest-bearing account in the State Treasury depository. The purpose of the grant is to make loans available to persons with disabilities at affordable rates and/or terms to acquire devices and equipment designed to assist them with small businesses or working from remote locations. Appropriations to this fund do not revert to another fund at the end of the appropriation period. (Laws of 2008, Chapter 3, Section 4(1))

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

16. SPECIAL REVENUE AND CAPITAL PROJECT FUNDS - continued

**SHARE Fund** - continued

**Special Revenue - continued**

- 33400 Family Youth. The purpose of this fund is to provide an intermediary for students and their families at public schools to access social and health care services (NMSA 1978, 22-2D-3). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 39700 Educator Certification. Educator Certification funds are collected from application fees for certification or for renewal of certification by the Public Education Department of New Mexico. Monies in the fund are for the purpose of funding the educator background check program (NMSA 1978, § 22-10-4.1). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 45800 Adult Basic Education. The Adult Basic Education fund is used to account for all financial activities of the adult basic education program. The fund was established by an act of the New Mexico State Legislature (NMSA 1978, 22-8-30.1). Appropriations to this fund do not revert to another fund at the end of the appropriation period. Amounts were transferred to New Mexico Higher Education Department.
- 47000 Charter School Stimulus. To account for state general fund appropriations to be used to stimulate charter schools (NMSA 1978, 22-8B-14). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 51300 Pre-Kindergarten. The purpose of this fund is to address the total developmental needs of preschool children, including physical, cognitive, social and emotional needs, and shall include healthcare, nutrition, safety and multicultural sensitivity (NMSA 1978, 32A-23-4). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 56200 Professional Development. The Teacher Professional Development Fund is to provide professional development programs and projects for public school teachers (NMSA 1978, 22-8-45). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 56800 Incentive for School Improvement. Incentive for School Improvement are funds from the State General Fund appropriated to the Department. The fund is used to account for financial incentives to individual schools that exceed expected academic performance (NMSA 22-2C-10). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

16. SPECIAL REVENUE AND CAPITAL PROJECT FUNDS - continued

**SHARE Fund - continued**

**Special Revenue – continued**

- 58600 Reading Materials Fund. This fund accounts for monies for the purchase of textbooks and reading materials as appropriated by New Mexico Legislature NMSA 22-15-8.2. Appropriations to this fund do not revert to another fund at the end of their appropriation period.
- 63300 Indian Education Act. To gain tribal involvement and to ensure the maintenance of native languages (NMSA 22-23A-8). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 63900 Kindergarten Plus. The purpose of the fund is to deposit grants and donations for the “Kindergarten Plus” pilot project. Money shall be expended in accordance with the terms of the grants and donations. Unless otherwise specified by the terms of the grant or donation, money in the fund at the end of the pilot project shall revert to the general fund. There have not been any grants and donations and in FY 07 appropriations have been returned to the Special Appropriations Fund 79000. 22-2-20 created a three-year study which was extended into a six-year study during the 2006 Legislative Session (HB 43).
- 66000 Instructional Materials Adoption. The purpose of this fund is to provide for the review and adoption of instructional materials from the collection of publishers fees (NMSA 22-15-8-1). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 66200 Education Technology. Education Technology are funds from the State General Fund appropriated to the Department. The fund is used to account for all financial resources of the 1994 Education Technology program. This is a state-funded project (NMSA 1978, § 22-15A-1 to 22-15A-10). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 66900 School Library. To account for the replacement and purchase of new library materials (NMSA 22-15C-3). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 67200 Federal School Food Services Flowthrough. The Federal School Food Services Flowthrough fund is used to account for federal grants to New Mexico schools for food services. The Department, as fiscal agent for the United States Department of Agriculture, is responsible for disbursing funds for such services in accordance with individual grant requirements (Title 7, Code of Federal Regulations Parts 210 and 245). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

16. SPECIAL REVENUE AND CAPITAL PROJECT FUNDS - continued

**SHARE Fund** - continued

**Special Revenue** - continued

- 67300 Federal Public Education Department Flowthrough. The Federal Public Education Department Flowthrough fund is used to account for various grants from the United States Public Education Department (USDE) to New Mexico schools. The Department is responsible for the disbursement of such funds in accordance with USDE requirements (Title 34, Code of Federal Regulations). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 72500 Public Building Energy Efficiency Act. Public Building Energy Efficiency Act are funds from the State General Fund appropriated from the State Equalization Guarantee Fund that are distributed by the Department to participating school districts (NMSA 1978, § 6-23 and § 22-8-25). This is a reverting fund.
- 79000 Special Projects. The Special Projects Flowthrough fund accounts for the receipts and disbursements of state special appropriations for a variety of projects, as appropriated by the State of New Mexico Legislature, and consists of reverting and non-reverting funds. The Special Projects Flowthrough fund was established by the Legislature (48th Legislature, 1st Session, Chapter 28) and amended by Senate Bill 165 of 2008.
- 85600 Instructional Materials Flowthrough. The Instructional Material Flowthrough fund accounts for monies for the purchase of textbooks and instructional materials, as appropriated by the New Mexico Legislature, and consists of monies from receipts of the Federal Mineral Lands Leasing Act. Revenues are received in this fund by the Department, as fiscal agent, and are subsequently disbursed for the benefit of the individual schools in New Mexico (NMSA 1978, § 22-15-1 to 22-15-25). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 85700 State Support Reserve. The State Support Reserve fund is used to augment the appropriations for the State Equalization Guarantee distribution in order to ensure to the extent of the amount undistributed in the fund that the maximum figures for such distribution established by law shall not be reduced. ((NMSA 1978, § 22-8-31). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 85800 Public School Support Flowthrough. The Public School Support Flowthrough fund is used in the accounting of distributions to school districts for the State Equalization Guarantee, Transportation and Supplemental Distributions programs. Financing is provided through State General Fund appropriations (NMSA 1978, § 22-8-14). This is a reverting fund.

16. SPECIAL REVENUE AND CAPITAL PROJECT FUNDS - continued

SHARE Fund - continued

Special Revenue - continued

88900 Transportation Emergency. This fund is used to make distributions of state funds to districts experiencing transportation emergencies (NMSA 1978, 28-8-29.6). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

Capital Projects

29100 Special Capital Outlay - General Fund (1995). The fund, established in 1995, accounts for State General Fund appropriations for special capital outlay projects (42<sup>nd</sup> Legislature, 1<sup>st</sup> Session, Chapter 222). Funds remaining after the completion of capital projects are to be reverted.

38700 Special Capital Outlay - General Fund (1996). The fund, established in 1996, accounts for general fund appropriations for special capital outlay projects (42<sup>nd</sup> Legislature, 1<sup>st</sup> Session, Chapter 4). Funds remaining after the completion of capital projects are to be reverted.

46800 Special Capital Outlay - Severance Tax Bonds (1999). The fund, established in 1999, accounts for severance tax bonds appropriated for special capital outlay projects (44<sup>th</sup> Legislature, 1<sup>st</sup> Special Session, Chapter 2). Funds remaining after the completion of capital projects are to be reverted.

54000 Special Capital Outlay - Severance Tax Bonds (1998). The fund, established in 1998, accounts for severance tax bonds appropriated for special capital outlay projects (44<sup>th</sup> Legislature, Chapter 222). Funds remaining after the completion of capital projects are to be reverted.

54100 Special Capital Outlay - Severance Tax Bonds (1998). The fund, established in 1998, accounts for severance tax bonds appropriated for special capital outlay projects (44<sup>th</sup> Legislature, Chapter 2). Funds remaining after the completion of capital projects are to be reverted.

54200 Special Capital Outlay - Severance Tax Bonds (1998). The fund, established in 1998, accounts for severance tax bonds appropriated for special capital outlay projects (44<sup>th</sup> Legislature, Chapter 2). Funds remaining after the completion of capital projects are to be reverted.

54300 Special Capital Outlay - Severance Tax Bonds (1998). The fund, established in 1998, accounts for severance tax bonds appropriated for special capital outlay projects (44<sup>th</sup> Legislature, Chapter 2). Funds remaining after the completion of capital projects are to be reverted.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

16. SPECIAL REVENUE AND CAPITAL PROJECT FUNDS - continued

**SHARE Fund** - continued

**Capital Projects - continued**

- 63400 Public School Capital Improvements. The Public School Capital Improvements fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, § 22-25-1 and 22-25-10). Funds remaining after the completion of capital projects are to be reverted.
- 63500 Public School Capital Outlay (Other). The Public School Capital Outlay fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, § 22-24-1 and 22-254-6). Funds remaining after the completion of capital projects are to be reverted.
- 63600 Kindergarten Capital Funding. The fund accounts for distributions in support of kindergarten capital projects (Laws of 2001, SB 167, Chapter 338). Funds remaining after the completion of capital projects are to be reverted.
- 66100 Special Capital Outlay – Severance Tax Bonds (1994). The fund, established in 1994, accounts for severance tax bonds appropriated for special capital outlay projects (41<sup>st</sup> Legislature, 2<sup>nd</sup> Session, Chapter 148). Funds remaining after the completion of capital projects are to be reverted.
- 81300 Special Capital Outlay – Severance Tax Bonds (2000). The fund, established in 2000, accounts for severance tax bond proceeds appropriated for special capital outlay projects (Laws of 2000, Chapter 23, Section 16). Funds remaining after the completion of capital projects are to be reverted.
- 81600 Special Capital Outlay – Severance Tax Bonds (2004). The fund, established in 2004, accounts for severance tax bond proceeds appropriated to the Public Education Department. Funds remaining after the completion of capital projects are to be reverted.
- 81800 Special Capital Outlay – General Fund (2000). The fund, established in 2000, accounts for general fund appropriations for special capital outlay projects (Laws of 2000, Chapter 23, Section 45). Funds remaining after the completion of capital projects are to be reverted.
- 99500 NM Government Education Fund. The purpose of the fund is to provide appropriations to the Department to contract for annual, week-long, high school civics courses focusing on New Mexico state government for boys and girls to be held at varying post-secondary educational institutions in New Mexico. Appropriations to this fund do not revert to another fund at the end of the appropriation period (22-8-47, NMSA 1978).



**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

**17. JOINT POWERS AGREEMENT AND MEMORANDA OF UNDERSTANDING**

The Department was a party to the following Joint Powers Agreement during the fiscal year:

Contractor	Scope of Work	Responsible Party	Total Amount of Contract	Ending Date
Regional Education Cooperative #9	To support the Career-Technical Student Organization efforts, and the High Schools that Work Initiative.	PED	514,912	6/30/2010

The Department was a party to the following Memoranda of Understanding during the fiscal year:

Contractor	Scope of Work	Responsible Party	Total Amount of Contract	Ending Date
Eastern Area Workforce Dev. Brd. & Clovis Com. Workforce Ctr. Partners	Occupy & maintenance property and operate at workforce center	DVR	-	6/30/2010
Texas Tech Univ. Health Services Ctr.	Collaboration & Support to DVR	Texas Tech	-	12/31/2008
NM Comm. for Deaf & Hard of Hearing	House Bill 2- Enhance Rehab Services for Deaf and Hard of Hearing	NM Comm. for Deaf & Hard of Hearing	275,000	3/30/2009
TRESCO	Maintenance, Demo & provide Assistive Technology for NM Technology Assistance	TRESCO	-	6/30/2009
WCC & Business & Career Center Partners	Scope of work pending	WCC & Business & Career Center Partners	-	Ongoing
New Mexico Highlands University	Establish framework for DVR's mentoring diverse abilities program & NMHU disability services	DVR	17,000	6/30/2009
Western New Mexico University	Placement opportunities for students in Rehabilitation Services	Western New Mexico	-	9/30/2010

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Financial Statements - continued**

**18. TRANSFERS IN AND TRANSFERS OUT**

**Other Financing Uses - External**

<b>PED Fund</b>	<b>Agency</b>	<b>Other Agency</b>	<b>Description</b>	<b>Amount</b>
05700	NM Educational Retirement Board	35200	Transfers funds for project	\$ 2,880
79000	ENMRD	52100	Project reauthorization transfer	99,200
79000	ENMRD	52100	Transfer funds for project	133,872
81800	Office of the State Engineer	21400	Project reauthorization transfer	40,000
50000	Local Government Division	34100	Project reauthorization transfer	<u>170,000</u>
				<b>\$ <u>445,952</u></b>

**Other Financing Uses - Internal**

<b>PED Fund</b>	<b>Other Fund</b>	<b>Other Fund No.</b>	<b>Description</b>	<b>Amount</b>
79000	Fed. Dept. of Education Administration	84400	Transfer funds for project	\$ 1,052,000
79000	Fed. Dept. of Education Flowthrough	67300	Transfer funds for project	<u>12,584,077</u>
Total Internal Transfers				<b>\$ <u>13,636,077</u></b>

**Other Financing Sources - External**

<b>PED Fund</b>	<b>Agency</b>	<b>Other Agency</b>	<b>Description</b>	<b>Amount</b>
05700	Dept. of Finance & Administration	34100	Compensation Package	\$ 309,300
05700	Educational Retirement Board	35200	Compensation Package	3,679
63400	NM Board of Finance	52900	Transfer funds for project	739
63400	NM Board of Finance	52900	Transfer funds for project	1,557
63400	NM Board of Finance	52900	Transfer funds for project	29,861
81800	Interstate Stream Commission	26700	Project reauthorization transfer	10,000
81800	Local Government Division	52900	Project reauthorization transfer	30,000
81800	Dept. of Finance & Administration	34100	Project reauthorization transfer	12,423,526
81800	NM Environment Department	69400	Project reauthorization transfer	25,000
81800	Dept. of Finance & Administration	52900	Project reauthorization transfer	2,360,000
81800	NM Office of Cultural Affairs	50500	Project reauthorization transfer	275,000
81800	NM State Treasurer's Office	39400	Transfer funds for project	82,639
50000	Dept. of Finance & Administration	85300	Compensation Package	49,600
50000	NM State Treasurer's Office	39400	Transfer funds for project	283,537
50100	Dept. of Finance & Administration	52900	Transfer funds for project	150
Total other financing sources				<b>\$ <u>15,884,588</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

18. TRANSFERS IN AND TRANSFERS OUT

Other Financing Sources - Internal

PED Fund	Other Fund	Other Fund No.	Description	Amount
67300	Special Projects	79000	Transfer funds for projects	\$ 12,584,077
84400	Special Projects	79000	Transfer funds for projects	<u>1,052,000</u>
Total other financing sources				\$ <u>13,636,077</u>

19. RESTATEMENTS

In prior years, in order to comply with Governmental Accounting Standards Board Statement No. 33 (GASB 33), *Accounting and Financial Reporting for Nonexchange Transactions*, the Department has changed its accounting treatment of capital project appropriations financed with bond proceeds; included in the correction was fund 81800 which is a special capital outlay project fund which is funded by general fund appropriations. In prior year, the balance of \$73,661,196 was recognized as revenue and subsequent fund balances. The correction in FY 2009 reclassified the fund balance to deferred revenue. The department budgeted out of the deferred revenue account in FY 2009.

In years past prior to the implementation of SHARE the department recorded \$2.4 million in fund 79000, special appropriations, as a payable. The balance was believed to be a retainer for completed capital projects. Upon review of the capital projects detail and those that were closed out, the payable was found to have been paid through accounts payable and no longer owed. The correction reclassified the payable and incurred fund balance in fund 79000.

As a result of the restatements, the June 30, 2008 fund balances were restated as follows:

Fund	79000	81800
Beginning fund balance, June 30, 2008	\$ 10,307,245	73,661,196
Restatement	<u>2,425,219</u>	<u>(73,661,196)</u>
Ending fund balance, June 30, 2008, restated	\$ <u>12,732,464</u>	<u>-----</u>

The net assets had the same restatement. As a result, the June 30, 2008 restatement decreased net assets by \$71,235,977.

**23. COMPONENT UNITS**

The following are dependent state-chartered schools formed under NMSA 22-8A, and as such are presented here as discrete component units of New Mexico Public Education Department:

- Cien Aguas International School (CAIS)
- Cottonwood Classical Preparatory School (CCPS)
- Horizon Academy West (HAW)
- The International School at Mesa del Sol (ISMDS)
- Media Arts Collaborative Charter School (MACCS)
- The New America School (NAS)
- North Valley Academy (NVA)
- School of Dreams Academy (SDA)
- Taos Academy (TA)

The state-chartered schools are presented as component units since their operating budgets and charters are annually presented and approved by PED. The New Mexico State Auditor has determined that state-chartered schools are major component units of PED. Refer to previous footnotes for significant policies of the state-chartered schools, as they are subject to the same State and Federal regulations and follow the same policies as PED. The following are summarized details of the state-chartered schools' balances and transactions as of June 30, 2009, and for the year then ended:

• **Cash and Cash Equivalents**

State statutes authorize the investment of funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds properly followed State investment requirements as of June 30, 2009.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the schools. 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 on 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 which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. **COMPONENT UNITS - continued**

• **Cash and Cash Equivalents - continued**

The types of pledged 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 Corporation, public unit deposits are funds owned by the public unit. 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.

The FDIC's temporary Transaction Account Guarantee Program provides depositors with unlimited coverage for noninterest-bearing transaction accounts at participating FDIC-insured institutions.

Noninterest-bearing checking accounts include Demand Deposit Accounts (DDA) and any transaction account that has unlimited withdrawals and that cannot earn interest. Also included are low-interest NOW accounts (NOW accounts that cannot earn more than 0.5% interest) and IOLTA accounts. This unlimited insurance coverage is temporary and will remain in effect through June 30, 2010.

• **Deposits**

New Mexico 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 Schools for at least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

Cash and cash equivalents consists of the following at June 30, 2009:

<u>Deposits</u>	<u>Cien Aguas International School</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Horizon Academy West</u>
Total amount of deposits	\$ 271,940	243,393	545,897
FDIC coverage	271,940 *	250,000	545,897 *
Total uninsured public funds	-	-	-
Collateral requirement <sup>1</sup>	-	-	-
Pledged security	-	-	-
Total under (over) collateralized	-	-	-
Pledged collateral <sup>2</sup>	\$ -	-	-

<sup>1</sup> Collateral requirement is 50% of uninsured public funds

<sup>2</sup> Pledged Collateral held by pledging banks trust dept. or agent but not in the agency's name

\* The school's financial institution has opted to participate in the FDIC Transaction Account Guarantee Program that provides depositors with unlimited coverage for certain transaction accounts.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

• **Accounts Receivable**

As of June 30, 2009, accounts receivable consists of the following:

<u>Accounts Receivable</u>		<u>Cien Aguas International School</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Horizon Academy West</u>
Intergovernmental	\$	246,734	371,506	79,835
Other		<u>-</u>	<u>-</u>	<u>-</u>
Total	\$	<u>246,734</u>	<u>371,506</u>	<u>79,835</u>

<u>Accounts Receivable</u>		<u>The International School at Mesa del Sol</u>	<u>Media Arts Collaborative Charter School</u>	<u>The New America School</u>
Intergovernmental	\$	571,844	245,032	279,119
Other		<u>-</u>	<u>-</u>	<u>-</u>
Total	\$	<u>571,844</u>	<u>245,032</u>	<u>279,119</u>

<u>Accounts Receivable</u>		<u>North Valley Academy</u>	<u>School of Dreams Academy</u>	<u>Taos Academy</u>
Intergovernmental	\$	58,722	235,381	369,652
Other		<u>-</u>	<u>-</u>	<u>-</u>
Total	\$	<u>58,722</u>	<u>235,381</u>	<u>369,652</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

• Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2009 follows:

Capital Assets	Balance, June 30, 2008	Additions	Deletions	Prior Year Adjustments	Balance, June 30, 2009
<b>Cien Aguas International School</b>					
Furniture, fixtures and equipment	\$ -	22,298	-	-	22,298
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	-	(271)	-	-	(271)
Capital assets, net	\$ -	22,027	-	-	22,027
<b>Cottonwood Classical Preparatory School</b>					
Furniture, fixtures and equipment	\$ -	-	-	-	-
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	-	-	-	-	-
Capital assets, net	\$ -	-	-	-	-
<b>Horizon Academy West</b>					
Furniture, fixtures and equipment	\$ 37,457	-	(9,373)	-	28,084
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	(22,753)	(3,817)	6,120	-	(20,450)
Capital assets, net	\$ 14,704	(3,817)	(3,253)	-	7,634
<b>The International School at Mesa del Sol</b>					
Furniture, fixtures and equipment	\$ -	-	-	-	-
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	-	-	-	-	-
Capital assets, net	\$ -	-	-	-	-
<b>Media Arts Collaborative Charter School</b>					
Furniture, fixtures and equipment	\$ -	8,161	-	-	8,161
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	-	(144)	-	-	(144)
Capital assets, net	\$ -	8,017	-	-	8,017
<b>The New America School</b>					
Furniture, fixtures and equipment	\$ -	68,000	-	-	68,000
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	-	(1,889)	-	-	(1,889)
Capital assets, net	\$ -	66,111	-	-	66,111

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

• Capital Assets - continued

<u>Capital Assets</u>	<u>Balance, June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Prior Year Adjustments</u>	<u>Balance, June 30, 2009</u>
<b>North Valley Academy</b>					
Furniture, fixtures and equipment	\$ 91,474	-	-	-	91,474
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	<u>(36,419)</u>	<u>(12,658)</u>	<u>-</u>	<u>-</u>	<u>49,077</u>
Capital assets, net	<u>\$ 55,055</u>	<u>(12,658)</u>	<u>-</u>	<u>-</u>	<u>42,397</u>
<b>School of Dreams Academy</b>					
Furniture, fixtures and equipment	\$ -	22,884	-	-	22,884
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	<u>-</u>	<u>(1,959)</u>	<u>-</u>	<u>-</u>	<u>(1,959)</u>
Capital assets, net	<u>\$ -</u>	<u>20,925</u>	<u>-</u>	<u>-</u>	<u>20,925</u>
<b>Taos Academy</b>					
Furniture, fixtures and equipment	\$ -	12,344	-	-	12,344
Buildings and improvements	-	-	-	-	-
Less: accumulated depreciation	<u>-</u>	<u>(600)</u>	<u>-</u>	<u>-</u>	<u>(600)</u>
Capital assets, net	<u>\$ -</u>	<u>11,744</u>	<u>-</u>	<u>-</u>	<u>11,744</u>

Depreciation expense for the year ended June 30, 2009 was charged to the following functions:

<u>Depreciation Expense</u>	<u>Cien Aguas International School</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Horizon Academy West</u>
Instruction	\$ -	-	3,817
Support services	271	-	-
Central services	-	-	-
Operations/Plant Maintenance	-	-	-
Capital Outlay/Unallocated	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 271</u>	<u>-</u>	<u>3,817</u>



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

• Capital Assets - continued

<u>Depreciation Expense</u>	<u>The International School at Mesa del Sol</u>	<u>Media Arts Collaborative Charter School</u>	<u>The New America School</u>
Instruction	\$ -	-	1,889
Support services	-	-	-
Central services	-	-	-
Operations/Plant Maintenance	-	144	-
Capital Outlay/Unallocated	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>-</u>	<u>144</u>	<u>1,889</u>

<u>Depreciation Expense</u>	<u>North Valley Academy</u>	<u>School of Dreams Academy</u>	<u>Taos Academy</u>
Instruction	\$ -	1,959	-
Support services	-	-	600
Central services	-	-	-
Operations/Plant Maintenance	12,658	-	-
Capital Outlay/Unallocated	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>12,658</u>	<u>1,959</u>	<u>600</u>

• Commitments and Liabilities

Below are details relating to operating leases, capital leases and compensated absences balances maintained by each of the state-chartered schools as of June 30, 2009.

Cien Aguas International School - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$18,000. The five-year payouts for operating leases as of June 30, 2009 are: 2010 \$120,324, 2011 \$120,324, 2012 \$120,324, 2013 \$120,324, 2014 \$120,324, 2015 and thereafter \$0.

Cottonwood Classical Preparatory School - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$124,500. The five-year payouts for operating leases as of June 30, 2009 are: 2010 \$248,476, 2011 \$220,000, 2012 \$220,000, 2013 \$220,000, 2014 \$112,000, 2015 and thereafter \$0.

23. **COMPONENT UNITS - continued**

• **Commitments and Liabilities - continued**

Horizon Academy West - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$515,410. The five-year payouts for operating leases as of June 30, 2009 are: 2010 \$540,012, 2011 \$539,522, 2012 \$539,424, 2013 \$539,424, 2014 \$531,137, 2015 and thereafter \$0.

The International School at Mesa del Sol - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$45,000. The five-year payout of operating leases as of June 30, 2009 are: 2010 \$85,092, 2011 \$127,632, 2012 and thereafter \$0.

Media Arts Collaborative Charter School - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$165,600. The five-year payouts for operating leases as of June 30, 2009 are: 2010 \$165,600, 2011 \$165,600, 2012 \$165,600, 2013 \$165,600, 2014 and thereafter \$0.

The New America School - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$11,051. The five-year payouts for operating leases as of June 30, 2009 are: 2010 \$35,100, 2011 \$35,100, 2012 \$35,100, 2013 \$35,100, 2014 \$35,100, 2015 and thereafter \$5,850.

North Valley Academy - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$569,435. The five-year payouts of operating leases as of June 30, 2009 are: 2010 \$569,435, 2011 \$569,435, 2012 \$569,435, 2013 \$569,439, 2014 \$569,435, 2015 and thereafter \$0.

School of Dreams Academy - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$0. The five-year payouts of operating leases as of June 30, 2009 are: 2010 \$100,251, 2011 \$158,112, 2012 \$184,668, 2013 \$194,328, 2014 \$203,976, 2015 and thereafter \$0.

Taos Academy - The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2009, was \$12,000. The five-year payouts of operating leases as of June 30, 2009 are: 2010 \$7,000, 2011 \$7,000, 2012 \$10,000, 2013 \$10,000, 2014 \$10,000, 2015 and thereafter \$10,000.

23. COMPONENT UNITS - continued

- Educational Retirement Board (ERB) and Retiree Health Care Authority (RHCA) Contributions

Cien Aguas International School – Employer ERA contributions for the year ended June 30, 2009 totaled \$2,141, and employee portions totaled \$1,456. During fiscal year 2009, \$240 was remitted for RHC employer contributions and \$120 was remitted for RHC employee contributions.

Cottonwood Classical Preparatory School - Employer ERA contributions for the year ended June 30, 2009 totaled \$133,373, and employee portions totaled \$90,694. During fiscal year 2009, \$16,130 was remitted for RHC employer contributions and \$8,065 was remitted for RHC employee contributions.

Horizon Academy West - Employer ERA contributions for the year ended June 30, 2009 totaled \$208,857, and employee portions totaled \$141,629. During fiscal year 2009, \$20,188 was remitted for RHC employer contributions and \$10,094 was remitted for RHC employee contributions.

The International School at Mesa del Sol - Employer ERA contributions for the year ended June 30, 2009 totaled \$0, and employee portions totaled \$0. During fiscal year 2009, \$0 was remitted for RHC employer contributions and \$0 was remitted for RHC employee contributions.

Media Arts Collaborative Charter School - Employer ERA contributions for the year ended June 30, 2009 totaled \$44,693, and employee portions totaled \$30,391. During fiscal year 2009, \$5,463 was remitted for RHC employer contributions and \$2,732 was remitted for RHC employee contributions.

The New America School - Employer ERA contributions for the year ended June 30, 2009 totaled \$0, and employee portions totaled \$0. During fiscal year 2009, \$0 was remitted for RHC employer contributions and \$0 was remitted for RHC employee contributions.

North Valley Academy - Employer ERA contributions for the year ended June 30, 2009 totaled \$193,309, and employee portions totaled \$130,991. During fiscal year 2009, \$16,068 was remitted for RHC employer contributions and \$8,034 was remitted for RHC employee contributions.

School of Dreams Academy - Employer ERA contributions for the year ended June 30, 2009 totaled \$0, and employee portions totaled \$0. During fiscal year 2009, \$0 was remitted for RHC employer contributions and \$0 was remitted for RHC employee contributions.

Taos Academy - Employer ERA contributions for the year ended June 30, 2009 totaled \$0, and employee portions totaled \$0. During fiscal year 2009, \$0 was remitted for RHC employer contributions and \$0 was remitted for RHC employee contributions.

23. COMPONENT UNITS - continued

• **Subsequent Events Related to State-Chartered Schools**

The following schools had subsequent events requiring disclosure:

Cien Aguas International School – None

Cottonwood Classical Preparatory School – None

Horizon Academy West – None

The International School at Mesa del Sol – None

Media Arts Collaborative Charter School - None

The New America School – None

North Valley Academy – None

School of Dreams Academy – Subsequent to year end, School of Dreams Academy moved to a permanent location in Los Lunas, New Mexico.

Taos Academy – None

• **Related Party Transactions**

The following schools had related party transactions requiring disclosure:

Cien Aguas International School – None

Cottonwood Classical Preparatory School – None

Horizon Academy West – None

The International School at Mesa del Sol – None

Media Arts Collaborative Charter School - None

The New America School – NAS (Albuquerque) is one of many schools established by The New America School, a nonprofit organization located in Colorado. NAS received training, consulting and administrative services from The New America School organization during its planning year. Total expenses incurred for the year ended June 30, 2009 were approximately \$38,000.

23. **COMPONENT UNITS - continued**

• **Related Party Transactions - continued**

North Valley Academy – None

School of Dreams Academy – None

Taos Academy – None

• **Prior Period Adjustments Relating to State-Chartered Schools**

The following schools had prior period adjustments requiring disclosure:

Cien Aguas International School – None

Cottonwood Classical Preparatory School – None

Horizon Academy West – None

The International School at Mesa del Sol – None

Media Arts Collaborative Charter School – None

The New America School – None

North Valley Academy – None

School of Dreams Academy – None

Taos Academy – None

• **Component Units of State-Chartered Schools**

The following state-chartered schools maintained component units as follows:

Cien Aguas International School – None

Cottonwood Classical Preparatory School – Cottonwood Endowment Fund

Horizon Academy West – None

The International School at Mesa del Sol – None

23. **COMPONENT UNITS - continued**

- **Component Units of State-Chartered Schools – continued**

Media Arts Collaborative Charter School – Media Arts Collaborative Charter School Foundation

The New America School – None

North Valley Academy – None

School of Dreams Academy – None

Taos Academy – None

- **Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the combined statements of certain information concerning individual funds, including:

- a. Excess of expenditures over appropriations.
- b. Receivables and payables from interfund transactions as of June 30, 2009, with funds which interfund transactions were affected or created due to cash overdrafts represented.
- c. Deficit fund balance of individual funds.

**Cien Aguas International School**

- a. No funds exceeded approved budgetary authority for the year ended June 30, 2009.
- b. There were no receivables and payables from interfund transactions as of June 30, 2009.
- c. The following funds reported a deficit fund balance at June 30, 2009:

Operational	\$	4,139
Charter School (Planning)		<u>          -</u>
 Total	 \$	 <u><u>4,139</u></u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

• Other Required Individual Fund Disclosures - continued

Cottonwood Classical Preparatory School

a. The following funds exceeded approved budgetary authority for the year ended June 30, 2009:

Charter School (Planning)	\$	22,023
Non-instructional Support		3,988
Technology for Education PED		<u>1,740</u>
Total	\$	<u>27,751</u>

b. Receivables and payables from interfund transactions as of June 30, 2009 are listed below. Funds for which interfund transactions were affected or created due to cash overdrafts are represented.

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Operational	\$ -	28,569
Entitlement IDEA-B	2,091	-
Charter School (Planning)	16,409	-
Charter Schools	8,329	-
Technology for Education PED	<u>1,740</u>	<u>-</u>
Total due to/from other funds	\$ <u>28,569</u>	<u>28,569</u>

c. Due to requested funds not received by the end of the period of availability, the following funds reported a deficit fund balance at June 30, 2009:

Operational	\$	22,619
Entitlement IDEA-B		2,091
Charter School (Planning)		16,409
Charter Schools		6,596
Technology for Education PED		<u>1,740</u>
Total	\$	<u>49,455</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

- Other Required Individual Fund Disclosures - continued

**The International School at Mesa del Sol**

- a. No funds exceeded approved budgetary authority for the year ended June 30, 2009:
- b. Receivables and payables from interfund transactions as of June 30, 2009 are listed below. Funds for which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to Other Funds	Due from Other Funds
Public Charter School Planning	\$ -	37,878
Public Charter School Implementation	37,878	-
Total due to/from other funds	\$ 37,878	37,878

- c. The following funds reported a deficit fund balance at June 30, 2009:

Public Charter School Implementation	\$ 75,822
Total	\$ 75,822

**Media Arts Collaborative Charter School**

- a. No funds exceeded approved budgetary authority for the year ended June 30, 2009.
- b. Receivables and payables from interfund transactions as of June 30, 2009 are listed below. Funds for which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to Other Funds	Due from Other Funds
Operational	\$ -	124,652
Charter Schools	89,038	-
Entitlement IDEA-B	7,302	-
Title I - IASA	28,312	-
Total due to/from other funds	\$ 124,652	124,652



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

---

23. COMPONENT UNITS - continued

- Other Required Individual Fund Disclosures - continued

Media Arts Collaborative Charter School - continued

Payable balances resulted from negative cash balances. All interfund balances are expected to be paid within one year.

- c. Due to requested funds not received by the end of the period of availability, the following funds reported a deficit fund balance at June 30, 2009:

Charter Schools	\$	17,105	
Entitlement IDEA-B		7,302	
Title I - IASA		<u>3,990</u>	
 Total	 \$	 <u>28,397</u>	

The New America School

- a. The following funds exceeded approved budgetary authority for the year ended June 30, 2009:

Operational	\$	<u>195</u>	
 Total	 \$	 <u>195</u>	

- b. Receivables and payables from interfund transactions as of June 30, 2009 are listed below. Funds for which interfund transactions were affected or created due to cash overdrafts are represented.

		<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Operational	\$	-	3,595
Public Charter School Planning		<u>3,595</u>	<u>-</u>
 Total due to/from other funds	 \$	 <u>3,595</u>	 <u>3,595</u>

- c. No funds reported a deficit fund balance at June 30, 2009.

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

• Other Required Individual Fund Disclosures - continued

North Valley Academy

a. The following funds exceeded approved budgetary authority for the year ended June 30, 2009:

Operational	\$	28,534
Beginning Teacher Mentoring		3,067
Pre-K Special State		9,537
Title I - IASA		<u>1,573</u>
 Total	 \$	 <u>42,711</u>

b. Receivables and payables from interfund transactions as of June 30, 2009 are listed below. Funds for which interfund transactions were affected or created due to cash overdrafts are represented.

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Operational	\$ -	116,730
Entitlement IDEA-B	19,971	-
Pre-K Initiative	38,020	-
Pre-K Special State	9,773	-
Title I – IASA	12,494	-
Training & Recruiting	<u>36,472</u>	<u>-</u>
 Total due to/from other funds	 \$ <u>116,730</u>	 <u>116,730</u>

c. The following funds reported a deficit fund balance at June 30, 2009:

Operational	\$	163,073
Food Service		30,527
Pre-K Initiative		50,163
Pre-K Special State		9,773
Title I – IASA		2,006
Training & Recruiting		<u>32,163</u>
 Total	 \$	 <u>287,705</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. **COMPONENT UNITS - continued**

• **Other Required Individual Fund Disclosures - continued**

**School of Dreams Academy**

- a. No funds exceeded approved budgetary authority for the year ended June 30, 2009:
- b. There were no receivables and payables from interfund transactions as of June 30, 2009.
- c. Due to requested funds not received by the end of the period of availability, the following funds reported a deficit fund balance at June 30, 2009:

Public Charter School Planning	\$	<u>40,055</u>
--------------------------------	----	---------------

**Taos Academy**

- a. The following funds exceeded approved budgetary authority for the year ended June 30, 2009:

Operational	\$	<u>58</u>
-------------	----	-----------

Total	\$	<u>58</u>
-------	----	-----------

- b. There were no receivables and payables from interfund transactions as of June 30, 2009.
- c. The following funds reported a deficit fund balance at June 30, 2009:

Public Charter School Implementation	\$	273,160
--------------------------------------	----	---------

Public Charter School Planning		<u>114,741</u>
--------------------------------	--	----------------

Total	\$	<u>387,901</u>
-------	----	----------------

• **Joint Powers Agreements**

The following schools had Joint Powers Agreements requiring disclosure:

**Cien Aguas International School**

Contractor	Scope of Work	Responsible Party	Total Amount of Contract	Ending Date
Dual Language of New Mexico	Design and implementation of dual language programs	CAIS	\$ 28,000	November 2009

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Financial Statements - continued

23. COMPONENT UNITS - continued

- Joint Powers Agreements - continued

Cottonwood Classical Preparatory School – None

Horizon Academy West – None

The International School at Mesa del Sol – None

Media Arts Collaborative Charter School - None

The New America School – None

North Valley Academy – None

School of Dreams Academy – None

Taos Academy – None

- Budgets and Budgetary Accounting (Non-GAAP) – Component Units

As mentioned previously, the discretely presented component units use the Non-GAAP budgetary basis which is cash basis.

- Fund Balance – Component Units

School	Beginning Fund Balance FY2009
<b>Schools previously reported as component units:</b>	
Media Arts Collaborative Charter School	\$ 58,366
Cottonwood Classical Preparatory School	<u>-</u>
	58,366
<b>Schools added in FY2009:</b>	
Cien Aguas International School	-
Horizon Academy West	133,492
International School at Mesa del Sol	-
The New America School	-
North Valley Academy	(293,175)
School of Dreams Academy	-
Taos Academy	<u>-</u>
	<u>(159,683)</u>
 Total	 \$ <u>(101,317)</u>

**SUPPLEMENTARY INFORMATION**

AS OF JUNE 30, 2009	28000 Access-to- Telework Funds	33400 Family Youth	39700 Educator Certification	45800 Adult Basic Education
<b>ASSETS:</b>				
Investment in State General Fund Investment Pool	\$ 814,340	1,084,812	470,918	122,564
Federal grants receivable	-	-	-	-
Bond proceeds receivable	-	-	-	-
Due from state general fund	-	-	-	25,733
Due from other state agencies	-	217	-	-
Due from local education agencies	-	42,286	-	-
Due from external miscellaneous parties	1,492	-	-	-
Due from State Board of Finance	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	<u>3,228</u>	<u>-</u>	<u>50,596</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>819,060</u></b>	<b><u>1,127,315</u></b>	<b><u>521,514</u></b>	<b><u>148,297</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 7,357	513,954	16,671	-
Accrued payroll and taxes	-	-	27,044	-
Due to State Treasurer's Office	-	-	-	-
Due to state general fund	-	-	-	-
Due to other state agencies	263	-	-	-
Due to federal government	-	-	-	148,297
Due to local education authorities	-	-	-	-
Deferred revenue	621,534	-	-	-
Due to other funds	227	-	-	-
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>629,381</b>	<b>513,954</b>	<b>43,715</b>	<b>148,297</b>
<b>FUND BALANCES:</b>				
Reserved	-	-	-	-
Unreserved	<u>189,679</u>	<u>613,361</u>	<u>477,799</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>189,679</u></b>	<b><u>613,361</u></b>	<b><u>477,799</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>819,060</u></b>	<b><u>1,127,315</u></b>	<b><u>521,514</u></b>	<b><u>148,297</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Balance Sheet -  
Non-Major Governmental Funds

47000 Charter School Stimulus	51300 Pre- Kindergarten	56200 Professional Development	56800 Incentive for School Improvement	58600 Reading Materials	63300 Indian Education Act
681,071	3,839,983	974,363	181,996	189,746	4,086,768
-	-	-	-	-	-
-	-	-	-	-	-
-	1,000,776	188	17,233	-	-
-	-	101,029	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(626)	-	-	-	25,635
<u>681,071</u>	<u>4,840,133</u>	<u>1,075,580</u>	<u>199,229</u>	<u>189,746</u>	<u>4,112,403</u>
41,415	2,176,467	489,314	25,069	34,182	592,709
-	40,166	-	-	-	-
-	-	3,665	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1
-	-	-	-	-	-
41,415	2,216,633	492,979	25,069	34,182	592,710
-	-	-	-	-	-
<u>639,656</u>	<u>2,623,500</u>	<u>582,601</u>	<u>174,160</u>	<u>155,564</u>	<u>3,519,693</u>
<u>639,656</u>	<u>2,623,500</u>	<u>582,601</u>	<u>174,160</u>	<u>155,564</u>	<u>3,519,693</u>
<u>681,071</u>	<u>4,840,133</u>	<u>1,075,580</u>	<u>199,229</u>	<u>189,746</u>	<u>4,112,403</u>

AS OF JUNE 30, 2009

	63900	66000	66200	66900
	Kindergarten Plus	Instructional Materials Adoption	Education Technology	School Library
<b>ASSETS:</b>				
Investment in State General Fund				
Investment Pool	\$ 88,238	327,169	644,755	126,424
Federal grants receivable	-	-	-	-
Bond proceeds receivable	-	-	-	-
Due from state general fund	-	-	-	-
Due from other state agencies	16	89	-	-
Due from local education authorities	-	-	-	-
Due from external miscellaneous parties	-	-	-	-
Due from State Board of Finance	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 88,254</b>	<b>327,258</b>	<b>644,755</b>	<b>126,424</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	5,842	-	1,790
Accrued payroll and taxes	-	-	-	-
Due to State Treasurer's Office	-	-	-	-
Due to state general fund	-	-	-	-
Due to other state agencies	-	-	-	-
Due to federal government	-	-	-	-
Due to local education authorities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>5,842</b>	<b>-</b>	<b>1,790</b>
Reserved for encumbrances				
<b>FUND BALANCES:</b>				
Reserved	-	-	-	-
Unreserved	88,254	321,416	644,755	124,634
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>88,254</b>	<b>321,416</b>	<b>644,755</b>	<b>124,634</b>
<b>TOTAL LIABILITIES AND   FUND BALANCES</b>	<b>\$ 88,254</b>	<b>327,258</b>	<b>644,755</b>	<b>126,424</b>



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Balance Sheet -  
Non-Major Governmental Funds - continued

72500 Public Building Energy Efficiency Act	85600 Instructional Materials Flowthrough	85700 State Support Reserve	88900 Transportation Emergency	00500 Schools in Need of Improvement	20160 Ed Tech Correction Deficiency Fund	29100 Special Capital Outlay-General Fund 1995
139,453	6,123,620	1,000,000	276,815	1,612,657	1,620,522	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	444	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>139,453</u>	<u>6,123,620</u>	<u>1,000,000</u>	<u>276,815</u>	<u>1,613,101</u>	<u>1,620,522</u>	<u>-</u>
-	2,648,084	-	-	512,126	456,142	-
-	-	-	-	-	-	-
139,453	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,087	-	400	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	64,287	-
-	-	-	-	-	-	-
139,453	2,649,171	-	400	512,126	520,429	-
-	-	-	-	-	-	-
-	<u>3,474,449</u>	<u>1,000,000</u>	<u>276,415</u>	<u>1,100,975</u>	<u>1,100,093</u>	<u>-</u>
-	<u>3,474,449</u>	<u>1,000,000</u>	<u>276,415</u>	<u>1,100,975</u>	<u>1,100,093</u>	<u>-</u>
<u>139,453</u>	<u>6,123,620</u>	<u>1,000,000</u>	<u>276,815</u>	<u>1,613,101</u>	<u>1,620,522</u>	<u>-</u>

---

AS OF JUNE 30, 2009

	38700 Special Capital Outlay-General Fund 1996	46800 Special Capital Outlay-Severance Tax Bonds 1999	54000 Special Capital Outlay-Severance Tax Bonds 1998	54100 Special Capital Outlay-Severance Tax Bonds 1998
<b>ASSETS:</b>				
Investment in State General Fund Investment Pool	\$ -	-	-	-
Federal grants receivable	-	-	-	-
Bond proceeds receivable	-	-	-	-
Due from state general fund	-	-	-	-
Due from other state agencies	-	-	-	-
Due from local education authorities	-	-	-	-
Due from external miscellaneous parties	-	-	-	-
Due from State Board of Finance	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenses	-	-	-	-
<b>TOTAL ASSETS</b>	\$ -	-	-	-
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	-	-	-	-
Accrued payroll and taxes	-	-	-	-
Due to State Treasurer's Office	-	-	-	-
Due to state general fund	-	-	-	-
Due to other state agencies	-	-	-	-
Due to federal government	-	-	-	-
Due to local education authorities	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	-	-	-
<b>FUND BALANCES:</b>				
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ -	-	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Balance Sheet -  
Non-Major Governmental Funds - continued

54200 Special Capital Outlay-Severance Tax Bonds 1998	54300 Special Capital Outlay-Severance Tax Bonds 1998	63600 Kindergarten Capital Funding	66100 Special Capital Outlay-Severance Tax Bonds 1994	81300 Special Capital Outlay-Severance Tax Bonds 2000	Total
-	-	-	26,670	-	24,432,884
-	-	-	-	-	-
-	-	-	-	-	25,733
-	-	-	-	-	1,018,963
-	-	-	-	-	-
-	-	-	-	244,073	387,388
-	-	-	-	-	1,492
-	-	-	-	-	-
-	-	-	-	34,930	34,930
-	-	-	-	-	78,833
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>26,670</u>	<u>279,003</u>	<u>25,980,223</u>
-	-	-	-	-	7,521,122
-	-	-	-	-	67,210
-	-	-	-	219,621	219,621
-	-	-	-	-	143,118
-	-	-	26,670	-	26,933
-	-	-	-	-	148,297
-	-	-	-	-	1,487
-	-	-	-	-	621,534
-	-	-	-	34,930	99,445
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	26,670	254,551	8,848,767
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,452</u>	<u>17,131,456</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,452</u>	<u>17,131,456</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>26,670</u>	<u>279,003</u>	<u>25,980,223</u>

---

AS OF JUNE 30, 2009

	28000 Access-to- Telework Funds	33400 Family Youth	39700 Educator Certification	45800 Adult Basic Education
<b>REVENUES:</b>				
Federal grants	\$ 52,640	-	-	-
Other revenue	<u>6,433</u>	<u>18,156</u>	<u>718,120</u>	<u>-</u>
<b>TOTAL REVENUES</b>	59,073	18,156	718,120	-
<b>EXPENDITURES:</b>				
Current:				
Education	-	2,051,731	1,023,603	-
Health and welfare	54,561	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	54,561	2,051,731	1,023,603	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,512	(2,033,575)	(305,483)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
State general fund appropriations	-	1,500,000	-	-
Appropriations funded with State Severance Bond Proceeds	-	-	-	-
Other state funds	-	-	-	-
Reversions to State General Fund - FY09	-	(37,500)	-	-
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>1,462,500</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	4,512	(571,075)	(305,483)	-
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	<u>185,167</u>	<u>1,184,436</u>	<u>783,282</u>	<u>-</u>
<b>RESTATEMENTS (NOTE 19)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING - RESTATED</b>	<u>185,167</u>	<u>1,184,436</u>	<u>783,282</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	\$ <u>189,679</u>	<u>613,361</u>	<u>477,799</u>	<u>-</u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances - Non-Major Governmental Funds**

<u>47000</u> <u>Charter</u> <u>School</u> <u>Stimulus</u>	<u>51300</u> <u>Pre-</u> <u>Kindergarten</u>	<u>56200</u> <u>Professional</u> <u>Development</u>	<u>56800</u> <u>Incentive</u> <u>for School</u> <u>Improvement</u>	<u>58600</u> <u>Reading</u> <u>Materials</u>	<u>63300</u> <u>Indian</u> <u>Education</u> <u>Act</u>
-	-	-	-	-	-
<u>27,122</u>	<u>63,665</u>	<u>15,559</u>	<u>1,943</u>	<u>-</u>	<u>-</u>
27,122	63,665	15,559	1,943	-	-
251,306	8,160,903	1,800,110	79,302	39,761	3,184,989
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
251,306	8,160,903	1,800,110	79,302	39,761	3,184,989
(224,184)	(8,097,238)	(1,784,551)	(77,359)	(39,761)	(3,184,989)
300,000	8,500,000	2,000,000	-	-	2,500,000
-	-	-	-	-	-
-	1,000,000	-	-	-	250,000
(21,900)	(212,500)	(50,000)	-	-	(62,500)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>278,100</u>	<u>9,287,500</u>	<u>1,950,000</u>	<u>-</u>	<u>-</u>	<u>2,687,500</u>
53,916	1,190,262	165,449	(77,359)	(39,761)	(497,489)
<u>585,740</u>	<u>1,433,238</u>	<u>417,152</u>	<u>251,519</u>	<u>195,325</u>	<u>4,017,182</u>
-	-	-	-	-	-
<u>585,740</u>	<u>1,433,238</u>	<u>417,152</u>	<u>251,519</u>	<u>195,325</u>	<u>4,017,182</u>
<u>639,656</u>	<u>2,623,500</u>	<u>582,601</u>	<u>174,160</u>	<u>155,564</u>	<u>3,519,693</u>

---

AS OF JUNE 30, 2009

	63900	66000	66200	66900
	Kindergarten Plus	Instructional Materials Adoption	Education Technology	School Library
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
Other revenue	<u>654</u>	<u>435,354</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	654	435,354	-	-
<b>EXPENDITURES:</b>				
Current:				
Education	-	248,676	5,759,292	1,946,310
Health and welfare	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	-	248,676	5,759,292	1,946,310
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	654	186,678	(5,759,292)	(1,946,310)
<b>OTHER FINANCING SOURCES (USES):</b>				
State general fund appropriations	-	-	6,000,000	2,000,000
Appropriations funded with State Severance Bond Proceeds	-	-	-	-
Other state funds	-	-	-	-
Reversions to State General Fund	-	-	(150,000)	(50,000)
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>5,850,000</u>	<u>1,950,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	654	186,678	90,708	3,690
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	<u>87,600</u>	<u>134,738</u>	<u>554,047</u>	<u>120,944</u>
<b>RESTATEMENTS (NOTE 19)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, BEGINNING - RESTATED</b>	<u>87,600</u>	<u>134,738</u>	<u>554,047</u>	<u>120,944</u>
<b>FUND BALANCE (DEFICIT), ENDING</b>	\$ <u>88,254</u>	<u>321,416</u>	<u>644,755</u>	<u>124,634</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances - Non-Major Governmental Funds - continued

72500 Public Building Energy Efficiency Act	85600 Instructional Materials Flowthrough	85700 State Support Reserve	88900 Transportation Emergency	00500 Schools in Need of Improvement	20160 Ed Tech Correction Deficiency Fund	29100 Special Capital Outlay-General Fund 1995
-	-	-	-	-	-	-
-	10,147	-	-	31,154	-	-
-	10,147	-	-	31,154	-	-
478,659	36,565,068	-	-	3,121,771	2,049,449	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
478,659	36,565,068	-	-	3,121,771	2,049,449	-
(478,659)	(36,554,921)	-	-	(3,090,617)	(2,049,449)	-
478,660	39,020,000	-	-	2,550,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(139,453)	(975,500)	-	-	(62,500)	-	-
-	-	-	-	-	-	-
339,207	38,044,500	-	-	2,487,500	-	-
(139,452)	1,489,579	-	-	(603,117)	(2,049,449)	-
139,452	1,984,870	1,000,000	276,415	1,704,092	3,149,542	-
-	-	-	-	-	-	-
139,452	1,984,870	1,000,000	276,415	1,704,092	3,149,542	-
-	3,474,449	1,000,000	276,415	1,100,975	1,100,093	-

AS OF JUNE 30, 2009

	38700 Special Capital Outlay-General Fund 1996	46800 Special Capital Outlay-Severance Tax Bonds 1999	54000 Special Capital Outlay-Severance Tax Bonds 1998	54100 Special Capital Outlay-Severance Tax Bonds 1998
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
Other revenue	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Education	-	7,526	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	7,526	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(7,526)	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
State general fund appropriations	-	-	-	-
Appropriations funded with State Severance Bond Proceeds	-	7,526	-	-
Other state funds	-	-	-	-
Reversions to State General Fund	-	-	-	-
Transfers in (out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	7,526	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE (DEFICIT), BEGINNING</b>	-	-	-	-
<b>RESTATEMENTS (NOTE 19)</b>	-	-	-	-
<b>FUND BALANCE, BEGINNING - RESTATED</b>	-	-	-	-
<b>FUND BALANCE (DEFICIT), ENDING</b>	\$ -	-	-	-



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances - Non-Major Governmental Funds - continued

54200 Special Capital Outlay-Severance Tax Bonds 1998	54300 Special Capital Outlay-Severance Tax Bonds 1998	63600 Kindergarten Capital Funding	66100 Special Capital Outlay-Severance Tax Bonds 1994	81300 Special Capital Outlay-Severance Tax Bonds 2000	Total
-	-	-	-	-	52,640
-	-	-	-	-	1,328,307
-	-	-	-	-	1,380,947
-	-	-	-	34,930	66,803,386
-	-	-	-	-	54,561
-	-	-	-	-	-
-	-	-	-	34,930	66,857,947
-	-	-	-	(34,930)	(65,477,000)
-	-	-	-	-	64,848,660
-	-	-	-	40,641	48,167
-	-	-	-	-	1,250,000
(34)	-	(328,880)	(26,670)	-	(2,117,437)
-	-	-	-	-	-
(34)	-	(328,880)	(26,670)	40,641	64,029,390
(34)	-	(328,880)	(26,670)	5,711	(1,447,610)
34	-	328,880	26,670	18,741	18,579,066
-	-	-	-	-	-
34	-	328,880	26,670	18,741	18,579,066
-	-	-	-	24,452	17,131,456

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statements of Revenues and Expenditures -  
Budget and Actual - Major Capital  
Projects Fund - continued

YEAR ENDED JUNE 30, 2009

	63400 - PUBLIC SCHOOL CAPITAL IMPROVEMENTS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State general fund appropriations	-	-	-	-
Other state funds	-	-	21,588,520	21,588,520
Other financing sources	-	-	32,157	32,157
Miscellaneous revenue	-	-	<u>263,371</u>	<u>263,371</u>
<b>TOTAL REVENUES</b>	-	-	21,884,048	21,884,048
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	-	-	21,884,048	21,884,048
<b>EXPENDITURES:</b>				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	21,828,397	(21,828,397)
Other uses	-	-	<u>-</u>	<u>-</u>
Total education	<u>-</u>	<u>-</u>	<u>21,828,397</u>	<u>(21,828,397)</u>
Health and welfare:				
Personal services	-	-	-	-
Contract services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	<u>-</u>	<u>-</u>
Total health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>21,828,397</u>	<u>(21,828,397)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	<u>55,651</u>	<u>55,652</u>
<b>NON-BUDGETED REVERSION</b>			\$ <u>(1,254,295)</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis)

YEAR ENDED JUNE 30, 2008

28000 - ACCESS-TO-TELEWORK FUNDS				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ 53,000	113,341	52,640	(60,701)
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	<u>6,433</u>	<u>6,433</u>
<b>TOTAL REVENUES</b>	53,000	113,341	59,073	(54,268)
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ <u>53,000</u>	<u>113,341</u>	<u>59,073</u>	<u>(54,268)</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services and benefits	\$ 15,000	19,000	17,101	1,899
Contractual services	5,000	27,000	9,998	17,002
Other operating costs	33,000	67,341	26,360	40,981
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>53,000</u>	<u>113,341</u>	<u>53,459</u>	<u>59,882</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>100,000</u>	<u>-</u>	5,614	<u>5,614</u>
<b>REQUEST TO PAY PRIOR YEAR</b>			<u>(1,102)</u>	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u>4,512</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	33400 - FAMILY YOUTH			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	1,462,500	1,462,500	1,500,000	37,500
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	15,124	18,156	3,032
<b>TOTAL REVENUES</b>	1,462,500	1,477,624	1,518,156	40,532
<b>BUDGETED FROM FUND BALANCE</b>	-	1,173,483	110,042	(1,063,441)
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ 1,462,500	2,651,107	1,628,198	(1,019,877)
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	70,000	193,088	165,717	27,371
Other operating costs	1,392,500	2,458,019	1,462,481	995,538
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	1,462,500	2,651,107	1,628,198	1,022,909
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (EXCLUDING BUDGETED FUND BALANCE)</b>			\$ (110,042)	
<b>REQUEST TO PAY PRIOR YEAR NON-BUDGETED REVERSION</b>			(423,533)	
			(37,500)	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ (571,075)	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	39700 - EDUCATOR CERTIFICATION			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	<u>897,300</u>	<u>897,300</u>	<u>718,120</u>	<u>(179,180)</u>
<b>TOTAL REVENUES</b>	897,300	897,300	718,120	(179,180)
<b>BUDGETED FROM FUND BALANCE</b>	<u>178,400</u>	<u>191,000</u>	<u>191,000</u>	<u>-</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ <u>1,075,700</u>	<u>1,088,300</u>	<u>909,120</u>	<u>(179,180)</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ 518,300	753,522	753,124	398
Contractual services	160,000	43,862	19,054	24,808
Other operating costs	397,400	290,916	240,515	50,401
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>1,075,700</u>	<u>1,088,300</u>	<u>1,012,693</u>	<u>(103,573)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	<u>(103,573)</u>	<u>(103,573)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (EXCLUDING BUDGETED FUND BALANCE)</b>			\$ (294,573)	
<b>REQUEST TO PAY PRIOR YEAR</b>			<u>(10,910)</u>	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u>(305,483)</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

45800 - ADULT BASIC EDUCATION				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ -	-	-	-
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	-	-	-	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	-	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	47000 - CHARTER SCHOOL STIMULUS			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	278,100	278,100	300,000	21,900
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	26,343	27,122	779
<b>TOTAL REVENUES</b>	278,100	304,443	327,122	22,679
<b>BUDGETED FROM FUND BALANCE</b>	-	335,741	-	(335,741)
<b>TOTAL REVENUES AND BUDGETED     FROM FUND BALANCE</b>	\$ 278,100	640,184	327,122	(313,062)
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	278,100	640,184	251,306	388,878
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES     AND OTHER FINANCING     SOURCES (USES)</b>	278,100	640,184	251,306	75,816
<b>EXCESS (DEFICIENCY)     OF REVENUES     OVER EXPENDITURES</b>	\$ -	-	75,816	75,816
<b>NON-BUDGETED REVERSION</b>			(21,900)	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ 53,916	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	51300 - PRE-KINDERGARTEN			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	8,287,500	8,287,500	8,500,000	212,500
Other state funds	1,000,000	1,000,000	1,000,000	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	<u>63,665</u>	<u>63,665</u>
<b>TOTAL REVENUES</b>	<u>9,287,500</u>	<u>9,287,500</u>	<u>9,563,665</u>	<u>276,165</u>
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>1,433,238</u>	<u>-</u>	<u>(1,433,238)</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	<u>\$ <u>9,287,500</u></u>	<u><u>10,720,738</u></u>	<u><u>9,563,665</u></u>	<u><u>(1,157,074)</u></u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ 277,200	277,200	255,475	21,725
Contractual services	8,907,800	10,341,038	7,874,825	2,466,213
Other operating costs	102,500	102,500	30,603	71,897
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>9,287,500</u>	<u>10,720,738</u>	<u>8,160,903</u>	<u>2,559,835</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>-</u>	<u>1,402,762</u>	<u><u>1,402,762</u></u>
<b>NON-BUDGETED REVERSION</b>			<u>(212,500)</u>	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			<u>\$ <u>1,190,262</u></u>	



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

**56200 - PROFESSIONAL DEVELOPMENT**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
	<b>REVENUES:</b>			
Federal grants	\$ -	-	-	-
State General Fund appropriations	1,950,000	1,950,000	2,000,000	50,000
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	15,559	15,559
<b>TOTAL REVENUES</b>	<u>1,950,000</u>	<u>1,950,000</u>	2,015,559	65,559
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED   FROM FUND BALANCE</b>	\$ <u>1,950,000</u>	<u>1,950,000</u>	<u>2,015,559</u>	<u>65,559</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	1,950,000	1,950,000	1,800,110	149,890
Other operating costs	-	-	-	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES   AND OTHER FINANCING   SOURCES (USES)</b>	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,800,110</u>	<u>149,890</u>
<b>EXCESS (DEFICIENCY)   OF REVENUES   OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	215,449	<u>215,449</u>
<b>NON-BUDGETED REVERSION</b>			(50,000)	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u>165,449</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

		56800 - INCENTIVE FOR SCHOOL IMPROVEMENT			
		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
		Original	Final		
<b>REVENUES:</b>					
Federal grants	\$	-	-	-	-
State General Fund appropriations		-	-	-	-
Other state funds		-	-	-	-
Other financing sources		-	-	-	-
Miscellaneous revenue		-	-	1,943	1,943
<b>TOTAL REVENUES</b>		-	-	1,943	1,943
<b>BUDGETED FROM FUND BALANCE</b>		-	202,023	77,359	(124,664)
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$	-	202,023	79,302	(122,721)
<b>EXPENDITURES:</b>					
<b>Education:</b>					
Personal services	\$				-
Contractual services		-	196,023	74,659	121,364
Other operating costs		-	6,000	4,643	1,357
Other financing uses		-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>		-	202,023	79,302	122,721
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$	-	-	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

58600 - READING MATERIALS

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED   FROM FUND BALANCE</b>	\$ -	-	-	-
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	-	-	34,183	(34,183)
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES   AND OTHER FINANCING   SOURCES (USES)</b>	-	-	34,183	(34,183)
<b>EXCESS (DEFICIENCY)   OF REVENUES   OVER EXPENDITURES</b>	\$ -	-	(34,183)	(34,183)
<b>REQUEST TO PAY PRIOR YEAR</b>			(5,578)	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ (39,761)	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	63300 - INDIAN EDUCATION ACT			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	2,437,500	2,437,500	2,500,000	62,500
Other state funds	-	250,000	250,000	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	2,437,500	2,687,500	2,750,000	62,500
<b>BUDGETED FROM FUND BALANCE</b>	-	2,295,600	256,775	(2,038,825)
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ <u>2,437,500</u>	<u>4,983,100</u>	<u>3,006,775</u>	<u>(1,976,325)</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ 306,900	341,900	324,417	17,483
Contractual services	1,357,500	3,133,100	1,990,934	1,142,166
Other operating costs	773,100	1,508,100	691,424	816,676
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>2,437,500</u>	<u>4,983,100</u>	<u>3,006,775</u>	<u>1,976,325</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REQUEST TO PAY PRIOR YEAR NON-BUDGETED REVERSION</b>			\$ <u>(178,214)</u>	
			\$ <u>(62,500)</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	63900 - KINDERGARTEN PLUS			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	654	654
<b>TOTAL REVENUES</b>	-	-	654	654
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED   FROM FUND BALANCE</b>	\$ -	-	654	654
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	-	-	-	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES   AND OTHER FINANCING   SOURCES (USES)</b>	-	-	654	654
<b>EXCESS (DEFICIENCY)   OF REVENUES   OVER EXPENDITURES</b>	\$ -	-	-	-
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ 654	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

66000 - INSTRUCTIONAL MATERIALS ADOPTION					
		Budgeted Amounts		Actual	Variance From
		Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>					
Federal grants	\$	-	-	-	-
State General Fund appropriations		-	-	-	-
Other state funds		-	-	-	-
Other financing sources		-	-	-	-
Miscellaneous revenue		-	<u>364,799</u>	<u>435,354</u>	<u>70,555</u>
<b>TOTAL REVENUES</b>		-	364,799	435,354	70,555
<b>BUDGETED FROM FUND BALANCE</b>		-	<u>134,736</u>	-	<u>(134,736)</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$	<u>-</u>	<u>499,535</u>	<u>435,354</u>	<u>(64,179)</u>
<b>EXPENDITURES:</b>					
<b>Education:</b>					
Personal services	\$	-	-	-	-
Contractual services		-	364,535	224,119	140,416
Other operating costs		-	135,000	24,557	110,443
Other financing uses		-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>		-	<u>499,535</u>	<u>248,676</u>	<u>250,859</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$	<u>-</u>	<u>-</u>	<u>186,678</u>	<u>186,678</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

66200 - EDUCATION TECHNOLOGY				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	5,850,000	5,850,000	6,000,000	150,000
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	5,850,000	5,850,000	6,000,000	150,000
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED     FROM FUND BALANCE</b>	\$ <u>5,850,000</u>	<u>5,850,000</u>	<u>6,000,000</u>	<u>150,000</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	5,850,000	5,850,000	5,740,829	109,171
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES     AND OTHER FINANCING     SOURCES (USES)</b>	<u>5,850,000</u>	<u>5,850,000</u>	<u>5,740,829</u>	<u>109,171</u>
<b>EXCESS (DEFICIENCY)     OF REVENUES     OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	259,171	<u>259,171</u>
<b>REQUEST TO PAY PRIOR YEAR NON-BUDGETED REVERSION</b>			(18,463)	(150,000)
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u>90,708</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	66900 - SCHOOL LIBRARY			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	1,950,000	1,950,000	2,000,000	50,000
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	1,950,000	1,950,000	2,000,000	50,000
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED   FROM FUND BALANCE</b>	\$ <u>1,950,000</u>	<u>1,950,000</u>	<u>2,000,000</u>	<u>50,000</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	1,950,000	1,950,000	1,946,310	3,690
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES   AND OTHER FINANCING   SOURCES (USES)</b>	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,946,310</u>	<u>3,690</u>
<b>EXCESS (DEFICIENCY)   OF REVENUES   OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	53,690	<u>53,690</u>
<b>NON-BUDGETED REVERSION</b>			<u>(50,000)</u>	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u><u>3,690</u></u>	



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	72500 - PUBLIC BUILDING ENERGY EFFICIENCY ACT			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	478,660	478,660	478,660	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	478,660	478,660	478,660	-
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED   FROM FUND BALANCE</b>	\$ <u>478,660</u>	<u>478,660</u>	<u>478,660</u>	<u>-</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	478,660	478,660	478,659	1
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES   AND OTHER FINANCING   SOURCES (USES)</b>	<u>478,660</u>	<u>478,660</u>	<u>478,659</u>	<u>1</u>
<b>EXCESS (DEFICIENCY)   OF REVENUES   OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	1	<u>1</u>
<b>NON-BUDGETED REVERSION</b>			(139,453)	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u>(139,452)</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

85600 - INSTRUCTIONAL MATERIALS FLOWTHROUGH				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	38,044,500	38,044,500	39,020,000	975,500
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	<u>-</u>	<u>-</u>	<u>10,147</u>	<u>10,147</u>
<b>TOTAL REVENUES</b>	38,044,500	38,044,500	39,030,147	985,647
<b>BUDGETED FROM FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ <u>38,044,500</u>	<u>38,044,500</u>	<u>39,030,147</u>	<u>995,794</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	38,044,500	38,044,500	36,557,989	1,486,511
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<u>38,044,500</u>	<u>38,044,500</u>	<u>36,557,989</u>	<u>1,486,511</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	2,472,158	<u>2,472,158</u>
<b>REQUEST TO PAY PRIOR YEAR NON-BUDGETED REVERSION</b>			(7,079)	
			<u>(975,500)</u>	
<b>NET CHANGE IN FUND BALANCE, GAAP BASIS</b>			\$ <u>1,489,579</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

85700 - STATE SUPPORT RESERVE

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
	<b>REVENUES:</b>			
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ -	-	-	-
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	-	-	-	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	-	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	88900 - TRANSPORTATION EMERGENCY			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED FROM FUND BALANCE</b>	\$ -	-	-	-
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	-	-	-	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ -	-	-	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	00500 - SCHOOLS IN NEED OF IMPROVEMENT FUND			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	2,437,500	2,437,500	2,550,000	112,500
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	31,154	31,154
<b>TOTAL REVENUES</b>	2,437,500	2,437,500	2,581,154	143,654
<b>BUDGETED FROM FUND BALANCE</b>	-	1,659,091	393,603	(1,265,488)
<b>TOTAL REVENUES AND BUDGETED   FROM FUND BALANCE</b>	\$ <u>2,437,500</u>	<u>4,096,591</u>	<u>2,974,757</u>	<u>(1,121,834)</u>
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ 45,000	-	-	-
Contractual services	-	-	934,655	(934,655)
Other operating costs	2,392,500	4,096,591	2,040,102	2,056,489
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES   AND OTHER FINANCING   SOURCES (USES)</b>	<u>2,437,500</u>	<u>4,096,591</u>	<u>2,974,757</u>	<u>1,121,834</u>
<b>EXCESS (DEFICIENCY)   OF REVENUES   OVER EXPENDITURES</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REQUEST TO PAY PRIOR YEAR   NON-BUDGETED REVERSION</b>			\$ <u>(147,014)</u>	
			\$ <u>(62,500)</u>	

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Revenue Funds - Non-Major -  
Schedule of Revenues and Expenditures -  
Budget and Actual (Modified Accrual Basis) - continued

YEAR ENDED JUNE 30, 2009

	20160 - ED TECH DEFICIENCY CORRECTION			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Federal grants	\$ -	-	-	-
State General Fund appropriations	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>BUDGETED FROM FUND BALANCE</b>	-	-	-	-
<b>TOTAL REVENUES AND BUDGETED     FROM FUND BALANCE</b>	\$ -	-	-	-
<b>EXPENDITURES:</b>				
<b>Education:</b>				
Personal services	\$ -	-	-	-
Contractual services	-	-	-	-
Other operating costs	-	-	2,049,449	(2,049,449)
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES     AND OTHER FINANCING     SOURCES (USES)</b>	-	-	2,049,449	(2,049,449)
<b>EXCESS (DEFICIENCY)     OF REVENUES     OVER EXPENDITURES</b>	\$ -	-	(2,049,449)	(2,049,449)

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - General Fund 1995 - 29100  
Schedule of Multi-year Budgeted Special Capital Outlay Fund

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1995, CH 222 (General Fund)	\$ 9,244,260	9,208,640	-	9,208,640
Art in Public Places		35,620	-	35,620
Laws of 1995, CH 222 (Severance Tax Bonds)	250,000	239,218	-	239,218
Laws of 1995, CH 218 (Severance Tax Bonds)	100,000	100,000	-	100,000
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 9,594,260</b>	<b>9,583,478</b>	<b>-</b>	<b>9,583,478</b>
<b>CASH OUTLAYS:</b>				
Capital projects funded in fiscal year 1995	\$ 9,594,260	9,455,268	-	9,455,268
Art in Public Places	-	35,620	-	35,620
DFA Reversions	-	51,943	40,647	92,590
<b>TOTAL CASH OUTLAYS</b>	<b>\$ 9,594,260</b>	<b>9,542,831</b>	<b>40,647</b>	<b>9,583,478</b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			<b>\$</b>	<b>-</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				<b>-</b>
<b>PAYABLES, JUNE 30, 2009</b>				<b>-</b>
<b>FUND BALANCE, JUNE 30, 2009</b>			<b>\$</b>	<b>-</b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - General Fund 1996 - 38700  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1996, CH 4 (Severance Tax Bonds)	\$ 3,738,000	3,704,768	-	3,704,768
Laws of 1996, CH 4 (General Fund)	3,117,500	3,117,500	-	3,117,500
<b>TOTAL CASH RECEIPTS</b>	\$ 6,855,500	6,822,268	-	6,822,268
<b>CASH OUTLAYS:</b>				
Laws of 1996, CH 4 (Severance Tax Bonds)	\$ 3,738,000	3,686,562	-	3,686,562
Laws of 1996, CH 4 (General Fund)	3,117,500	2,960,220	-	2,960,220
Art in Public Places	-	6,500	-	6,500
DFA Reversions	-	74	150,706	150,780
Refund to BoF	-	-	18,206	18,206
<b>TOTAL CASH OUTLAYS</b>	\$ 6,855,500	6,653,356	168,912	6,822,268
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			\$	-
<b>RECEIVABLES, JUNE 30, 2009</b>				-
<b>PAYABLES, JUNE 30, 2009</b>				-
<b>FUND BALANCE, JUNE 30, 2009</b>			\$	-



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - Severance Tax Bonds 1999 - 46800  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1999, CH 2 (Severance Tax Bonds)	\$ 12,617,826	11,920,215	7,526	11,927,741
Increase in Authorization (A990775)	250,000	249,373	-	249,373
Reduction in Authorization	(300,000)	-	-	-
Reduction in Authorization	(150,000)	(124,510)	-	(124,510)
Reversions	-	-	-	-
<b>TOTAL CASH RECEIPTS</b>	<b>\$ <u>12,417,826</u></b>	<b><u>12,045,078</u></b>	<b><u>7,526</u></b>	<b><u>12,052,604</u></b>
<b>CASH OUTLAYS:</b>				
Laws of 1999, CH 2 (Severance Tax Bonds)	\$ 12,617,826	11,912,205	7,526	11,919,731
Increase in Authorization (A990775)	250,000	249,373	-	249,373
Reduction in Authorization	(300,000)	-	-	-
Reduction in Authorization	(150,000)	(124,510)	-	(124,510)
Refund to BoF	-	-	8,010	8,010
<b>TOTAL CASH OUTLAYS</b>	<b>\$ <u>12,417,826</u></b>	<b><u>12,037,068</u></b>	<b><u>15,536</u></b>	<b><u>12,052,604</u></b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			<b>\$</b>	<b>-</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				<b>-</b>
<b>PAYABLES, JUNE 30, 2009</b>				<b>-</b>
<b>FUND BALANCE, JUNE 30, 2009</b>			<b>\$</b>	<b><u>-</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - Severance Tax Bonds 1998 - 54000  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1998, CH 7 (Severance Tax Bonds)	\$ 5,881,410	5,641,005	-	5,641,005
Transfers	-	138,245	-	138,245
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 5,881,410</b>	<b>5,779,250</b>	<b>-</b>	<b>5,779,250</b>
<b>CASH OUTLAYS:</b>				
Laws of 1998, CH 7 (Severance Tax Bonds)	\$ 5,881,410	5,638,055	-	5,638,055
Transfers	-	138,245	-	138,245
Refund to BoF	-	-	2,950	2,950
<b>TOTAL CASH OUTLAYS</b>	<b>\$ 5,881,410</b>	<b>5,776,300</b>	<b>2,950</b>	<b>5,779,250</b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			\$	-
<b>RECEIVABLES, JUNE 30, 2009</b>				-
<b>PAYABLES, JUNE 30, 2009</b>				-
<b>FUND BALANCE, JUNE 30, 2009</b>			\$	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - Severance Tax Bonds 1998 - 54100  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1998, CH 118 (Severance Tax Bonds)	\$ 5,957,625	5,895,737	-	5,895,737
<b>TOTAL CASH RECEIPTS</b>	\$ <u>5,957,625</u>	<u>5,895,737</u>	<u>-</u>	<u>5,895,737</u>
<b>CASH OUTLAYS:</b>				
Laws of 1998, CH 118 (Severance Tax Bonds)	\$ 5,957,625	5,813,308	-	5,813,308
Refund to BoF	-	-	82,429	82,429
<b>TOTAL CASH OUTLAYS</b>	\$ <u>5,957,625</u>	<u>5,813,308</u>	<u>82,429</u>	<u>5,895,737</u>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			\$	-
<b>RECEIVABLES, JUNE 30, 2009</b>				-
<b>PAYABLES, JUNE 30, 2009</b>				-
<b>FUND BALANCE, JUNE 30, 2009</b>			\$	<u>-</u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Special Capital Outlay - Severance Tax Bonds 1998 - 54200  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued**

**AS OF JUNE 30, 2009**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>CASH RECEIPTS:</b>				
Laws of 1998, CH 7 (Severance Tax Bonds)	\$ 5,834,300	5,705,503	-	5,705,503
Transfer	-	19,546	-	19,546
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 5,834,300</b>	<b>5,725,049</b>	<b>-</b>	<b>5,725,049</b>
<b>CASH OUTLAYS:</b>				
Laws of 1998, CH 7 (Severance Tax Bonds)	\$ 5,834,300	5,705,469	-	5,705,469
Transfer	-	19,546	-	19,546
Refund to BoF	-	-	34	34
<b>TOTAL CASH OUTLAYS</b>	<b>\$ 5,834,300</b>	<b>5,725,015</b>	<b>34</b>	<b>5,725,049</b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>				\$ -
<b>RECEIVABLES, JUNE 30, 2009</b>				-
<b>PAYABLES, JUNE 30, 2009</b>				-
<b>FUND BALANCE, JUNE 30, 2009</b>			\$	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - Severance Tax Bonds 1998 - 54300  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1998, CH 118 (Severance Tax Bonds)	\$ 3,268,825	3,230,300	-	3,230,300
<b>TOTAL CASH RECEIPTS</b>	\$ <u>3,268,825</u>	<u>3,230,300</u>	<u>-</u>	<u>3,230,300</u>
<b>CASH OUTLAYS:</b>				
Laws of 1998, CH 118 (Severance Tax Bonds)	\$ 3,268,825	3,225,262	-	3,225,262
Refund to BoF	-	-	5,038	5,038
<b>TOTAL CASH OUTLAYS</b>	\$ <u>3,268,825</u>	<u>3,225,262</u>	<u>5,038</u>	<u>3,230,300</u>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			\$	-
<b>RECEIVABLES, JUNE 30, 2009</b>				-
<b>PAYABLES, JUNE 30, 2009</b>				-
<b>FUND BALANCE, JUNE 30, 2009</b>			\$	<u>-</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Public School Capital Improvements - 63400  
Schedule of Multi-year Budgeted Special Capital Outlay Fund

AS OF JUNE 30, 2009

	<u>Project</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
	<u>Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>CASH RECEIPTS:</b>				
Laws of 2001, CH 338 (SSTB 2008-2009)	\$ 20,000,000	-	3,716,696	3,716,696
Laws of 2001, CH 338 (SSTB 2008-2009)	3,000,000	-	-	-
Laws of 2001, CH 338 (SSTB 2007-2008)	20,500,000	7,222,299	6,636,247	13,858,546
Laws of 2001, CH 338 (SSTB 2006-2007)	18,500,000	12,071,374	3,942,802	16,014,176
Laws of 2001, CH 338 (SSTB 2005-2006)	20,001,934	15,043,549	2,496,470	17,540,019
Laws of 2001, CH 338 (SSTB 2004-2005)	13,200,000	12,656,239	496,562	13,152,801
Laws of 2001, CH 338 (SSTB 2003-2004)	14,200,000	13,312,914	173,055	13,485,969
Laws of 2001, CH 338 (SSTB 2002-2003)	11,300,000	11,106,620	184,006	11,290,626
Laws of 2001, CH 338 (SSTB 2001-2002)	8,500,000	7,497,941	578,118	8,076,059
Laws of 2001, CH 64 (General Fund 2001-2002)	4,500,000	4,500,000	-	4,500,000
Laws of 2000, CH 15 (General Fund 2000-2001)	5,732,800	5,732,800	-	5,732,800
Laws of 1999, CH 3 (General Fund 1999-2000)	6,595,500	6,595,500	-	6,595,500
Refund	-	34,415	-	34,415
Laws of 1998, CH 116 (General Fund 1998-1999)	7,200,000	7,200,000	-	7,200,000
Laws of 1998, CH 3 (General Fund 1997-1998)	6,100,000	6,100,000	-	6,100,000
Laws of 1996, CH 13 (General Obligation Bonds 1996-1997)	5,000,000	4,995,360	-	4,995,360
Laws of 1995, CH 13 (SB9 1995-1996)	7,000,000	7,000,000	-	7,000,000
Laws of 1994, CH 148 (SB9 1994-1995)	9,600,000	9,600,000	-	9,600,000
Transfers	-	490,572	173,848	664,420
Refunds	-	-	301,607	301,607
<b>TOTAL CASH RECEIPTS</b>	<b>\$ <u>180,930,234</u></b>	<b><u>131,152,583</u></b>	<b><u>18,692,411</u></b>	<b><u>142,858,994</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Public School Capital Improvements - 63400 - continued  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH OUTLAYS:</b>				
Laws of 2001, CH 338 (SSTB 2008-2009)	\$ 20,000,000	-	3,716,697	3,716,697
Laws of 2001, CH 338 (SSTB 2008-2009)	3,000,000	-	-	-
Laws of 2001, CH 338 (SSTB 2007-2008)	20,500,000	7,222,279	6,460,893	13,683,172
Laws of 2001, CH 338 (SSTB 2006-2007)	18,500,000	12,071,374	4,123,897	16,195,271
Laws of 2001, CH 338 (SSTB 2005-2006)	20,001,934	14,382,922	2,496,470	16,879,392
Laws of 2001, CH 338 (SSTB 2004-2005)	13,200,000	12,525,896	498,563	13,024,459
Laws of 2001, CH 338 (SSTB 2003-2004)	14,200,000	13,185,009	173,028	13,358,037
Laws of 2001, CH 338 (SSTB 2002-2003)	11,300,000	11,014,999	149,267	11,164,266
Laws of 2001, CH 338 (SSTB 2001-2002)	8,500,000	7,493,493	695,040	8,188,533
Laws of 2001, CH 64 (General Fund 2001-2002)	4,500,000	4,500,000	-	4,500,000
Laws of 2000, CH 15 (General Fund 2000-2001)	5,732,800	3,625,384	-	3,625,384
Laws of 1999, CH 3 (General Fund 1999-2000)	6,595,500	5,348,031	62,184	5,410,215
Refund		(97,166)	-	(97,166)
Laws of 1998, CH 116 (General Fund 1998-1999)	7,200,000	6,047,428	-	6,047,428
Laws of 1998, CH 3 (General Fund 1997-1998)	6,100,000	6,091,362	-	6,091,362
Laws of 1996, CH 13 (General Obligation Bonds 1996-1997)	5,000,000	6,337,290	-	6,337,290
Laws of 1995, CH 13 (SB9 1995-1996)	7,000,000	7,374,812	-	7,374,812
Laws of 1994, CH 148 (SB9 1994-1995)	9,600,000	7,962,878	-	7,962,878
Transfers	-	455,876	-	455,876
Refunds	-	-	588,859	588,859
<b>TOTAL CASH OUTLAYS</b>	<b>\$ <u>180,930,234</u></b>	<b><u>125,541,868</u></b>	<b><u>18,964,898</u></b>	<b><u>144,506,766</u></b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>				<b>\$ 5,352,228</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				32,157
<b>PAYABLES, JUNE 30, 2009</b>				<u>(878,389)</u>
<b>FUND BALANCE, JUNE 30, 2009</b>				<b>\$ <u>4,505,996</u></b>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Public School Capital Outlay - 63500  
Schedule of Multi-year Budgeted Special Capital Outlay Fund**

**AS OF JUNE 30, 2009**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>CASH RECEIPTS:</b>				
Laws of 2001, CH 338 (STB 04-05)	\$ 16,969,586	10,275,680	2,558,512	12,834,192
2003-2004 Severance Tax Bonds	86,087,753	84,276,371	-	84,276,371
2002-2003 Severance Tax Bonds	95,676,311	95,612,507	22,458	95,634,965
Laws of 2002, CH 44 (GF 1420)	1,000,000	1,000,000	-	1,000,000
2001-2002 Severance Tax Bonds	99,140,730	99,129,670	-	99,129,670
Lottery 2001-2002	3,859,271	423,790	-	423,790
2000-2001 General Obligation Bonds	5,000,000	4,839,047	-	4,839,047
2000-2001 Severance Tax Bonds	49,600,000	49,584,730	-	49,584,730
Refund	-	(450,707)	-	(450,707)
Lottery allocation 2000-2001	15,000,000	14,005,489	-	14,005,489
Laws of 1999 (Severance Tax Bonds 9905)	23,000,000	22,999,999	-	22,999,999
Lottery 1999-2000 allocation (9904)	10,000,000	10,000,000	-	10,000,000
Lottery 1999-2000 allocation	-	4,883,802	-	4,883,802
Laws of 1998, CH 7 & 118 (STB 9803 & 9804)	6,400,000	6,385,949	-	6,385,949
Lottery 1998-1999 allocation (9806)	13,000,000	11,908,015	-	11,908,015
Laws of 1998, CH 5 (GF 9805)	5,000,000	5,000,000	-	5,000,000
Laws of 1998, CH 87 (GOB 9807)	10,000,000	9,883,957	-	9,883,957
Laws of 1998, CH 13 (GOB 9670)	21,500,000	21,499,121	-	21,499,121
Lottery 1997-1998 allocation (9802)	17,500,000	10,154,830	-	10,154,830
Laws of 1996, CH 5 (GF 9672)	2,000,000	2,000,000	-	2,000,000
Laws of 1996, CH 14 (STB 9671)	8,000,000	8,000,000	-	8,000,000
Lottery 1996-1997 allocation	7,194,579	7,194,579	-	7,194,579
Lottery 1996-1997 allocation	-	7,983,327	-	7,983,327
Laws of 1995, CH 222 (STB)	20,000,000	19,996,619	-	19,996,619
Laws of 1994, CH 147 (GF 9429)	10,000,000	10,000,000	-	10,000,000
Refund to BOF	-	(718)	139,619	138,901
Transfers	-	-	-	-
Reversions	-	-	-	-
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 525,928,230</b>	<b>516,586,057</b>	<b>2,720,589</b>	<b>519,306,646</b>



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Public School Capital Outlay - 63500 - continued  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH OUTLAYS:</b>				
Laws of 2001, CH 338 (STB 04-05)	\$ 16,969,586	10,354,928	-	10,354,928
Refund	-	-	7,969	7,969
2003-2004 Severance Tax Bonds	86,087,753	76,164,994	1,818,845	77,983,839
2002-2003 Severance Tax Bonds	95,676,311	102,374,067	-	102,374,067
Refund	-	-	19,041	19,041
Laws of 2002, CH 44 (GF 1420)	1,000,000	914,800	-	914,800
2001-2002 Severance Tax Bonds	99,140,730	98,713,980	762,125	99,476,105
Lottery 2001-2002	3,859,271	4,008,200	-	4,008,200
2000-2001 General Obligation Bonds	5,000,000	5,026,023	-	5,026,023
2000-2001 Severance Tax Bonds	49,600,000	49,134,021	-	49,134,021
Lottery allocation 2000-2001	15,000,000	14,233,863	-	14,233,863
Laws of 1999 (Severance Tax Bonds 9905)	23,000,000	23,000,000	-	23,000,000
Lottery 1999-2000 allocation (9904)	10,000,000	9,997,194	-	9,997,194
Laws of 1998, CH 7 & 118 (STB 9803 & 9804)	6,400,000	6,310,471	-	6,310,471
Lottery 1998-1999 allocation (9806)	13,000,000	13,036,343	-	13,036,343
Laws of 1998, CH 5 (GF 9805)	5,000,000	5,047,630	-	5,047,630
Laws of 1998, CH 87 (GOB 9807)	10,000,000	10,003,581	-	10,003,581
Laws of 1996, CH 13 (GOB 9670)	21,500,000	21,499,121	-	21,499,121
Lottery 1997-1998 allocation (9802)	17,500,000	17,497,199	-	17,497,199
Laws of 1996, CH 5 (GF 9672)	2,000,000	2,000,001	-	2,000,001
Laws of 1996, CH 14 (STB 9671)	8,000,000	8,000,000	-	8,000,000
Lottery 1996-1997 allocations	7,194,579	7,145,925	-	7,145,925
Laws of 1995, CH 222 (STB)	20,000,000	19,996,618	-	19,996,618
Laws of 1994, CH 147 (GF 9429)	10,000,000	10,000,001	-	10,000,001
Transfers	-	460,892	-	460,892
Reversions	-	-	-	-
<b>TOTAL CASH OUTLAYS</b>	<b>\$ <u>525,928,230</u></b>	<b><u>514,919,852</u></b>	<b><u>2,607,980</u></b>	<b><u>517,527,831</u></b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>				<b>\$ 1,778,815</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				24,200
<b>PAYABLES, JUNE 30, 2009</b>				<u>(14,071)</u>
<b>FUND BALANCE, JUNE 30, 2009</b>				<b>\$ <u>1,788,944</u></b>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Kindergarten Capital Funding - 63600  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued**

**AS OF JUNE 30, 2009**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>CASH RECEIPTS:</b>				
Laws of 2001, CH 338, SB167	\$ 5,000,000	5,000,000	-	5,000,000
Laws of 2002, CH 93	5,000,000	4,455,787	-	4,455,787
Transfers	-	4,486	-	4,486
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 10,000,000</b>	<b>9,460,273</b>	<b>-</b>	<b>9,460,273</b>
<b>CASH OUTLAYS:</b>				
Laws of 2001, CH 338, SB167	\$ 5,000,000	4,671,119	-	4,671,119
Laws of 2002, CH 93	5,000,000	4,455,788	-	4,455,788
Art in Public Places	-	-	-	-
Transfers	-	4,486	-	4,486
DFA reversions	-	-	328,880	328,880
<b>TOTAL CASH OUTLAYS</b>	<b>\$ 10,000,000</b>	<b>9,131,393</b>	<b>328,880</b>	<b>9,460,273</b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			\$	-
<b>RECEIVABLES, JUNE 30, 2009</b>				-
<b>PAYABLES, JUNE 30, 2009</b>				-
<b>FUND BALANCE, JUNE 30, 2009</b>			\$	-

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - Severance Tax Bonds 1994 - 66100  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 1994, CH 148 (STB)	\$ 11,909,000	11,860,150	-	11,860,150
Art in Public Places	-	-	-	-
Reversions	-	-	-	-
<b>TOTAL CASH RECEIPTS</b>	<b>\$ <u>11,909,000</u></b>	<b><u>11,860,150</u></b>	<b><u>-</u></b>	<b><u>11,860,150</u></b>
<b>CASH OUTLAYS:</b>				
Capital projects funded in 1994	\$ 11,909,000	11,833,480	-	11,833,480
Art in Public Places	-	-	-	-
Reversions	-	-	-	-
<b>TOTAL CASH OUTLAYS</b>	<b>\$ <u>11,909,000</u></b>	<b><u>11,833,480</u></b>	<b><u>-</u></b>	<b><u>11,833,480</u></b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>			<b>\$</b>	<b>26,670</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				<b>-</b>
<b>PAYABLES, JUNE 30, 2009</b>				<b><u>(26,670)</u></b>
<b>FUND BALANCE, JUNE 30, 2009</b>			<b>\$</b>	<b><u>-</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay - Severance Tax Bonds 2000 - 81300  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 2003, CH 429, STB	\$ 20,000	20,000	-	20,000
Laws of 2002, CH 110, Sec 23 (STB)	15,332,920	13,142,938	55,711	13,198,649
Change in Authorization	(423,950)	-	-	-
Change in Authorization	(20,000)	-	-	-
Change in Authorization	(148,810)	-	-	-
Change in Authorization	(123,810)	-	-	-
Change in Authorization	(5,000)	-	-	-
Laws of 2000, CH 23, Sec 16 (STB)	10,720,080	10,144,393	-	10,144,393
Change in Authorization	(50,000)	-	-	-
Laws of 1999, CH 118, Sec 11 (STB)	100,000	99,986	-	99,986
Transfers	-	<u>109,356</u>	-	<u>109,356</u>
<b>TOTAL CASH RECEIPTS</b>	<b>\$ <u>25,401,430</u></b>	<b><u>23,516,673</u></b>	<b><u>55,711</u></b>	<b><u>23,572,384</u></b>
<b>CASH OUTLAYS:</b>				
Laws of 2003, CH 429 (STB)	\$ 20,000	40,000	-	40,000
Laws of 2002, CH 110 Sec 23 (STB)	15,332,920	13,247,902	-	13,247,902
Change in Authorization	(423,950)	-	-	-
Change in Authorization	(20,000)	-	-	-
Change in Authorization	(148,810)	-	-	-
Change in Authorization	(123,810)	-	-	-
Change in Authorization	(5,000)	-	-	-
Laws of 2000, CH 23, Sec 16 (STB)	10,720,080	10,251,458	-	10,251,458
Change in Authorization	(50,000)	-	-	-
Laws of 1999, CH 118, Sec 11 (STB)	100,000	99,986	-	99,986
Transfers	-	<u>152,659</u>	-	<u>152,659</u>
<b>TOTAL CASH OUTLAYS</b>	<b>\$ <u>25,401,430</u></b>	<b><u>23,792,005</u></b>	<b><u>-</u></b>	<b><u>23,792,005</u></b>
<b>SHORTFALL OF CASH RECEIVED OVER CASH OUTLAYS</b>				<b>\$ (219,621)</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				<b>279,003</b>
<b>PAYABLES, JUNE 30, 2009</b>				<b><u>(34,930)</u></b>
<b>FUND BALANCE, JUNE 30, 2009</b>				<b>\$ <u>24,452</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay 2004 - 81600  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 2008, CH 92 (STB)	\$ 12,828,469	-	4,448,869	4,448,869
Art in Public Places	(64,630)			-
Laws of 2007, CH 42, Sec 12 (STB)	300,000	-	42,469	42,469
Art in Public Places	(3,000)			-
Laws of 2006, CH 108 (GOB)	3,000,000	687,693	1,357,588	2,045,281
Laws of 2006, CH 111 (STB)	19,247,200	7,751,003	5,039,856	12,790,859
Change in Authorization	(235,000)	-	-	-
Art in Public Places	(76,750)			-
BoF Reversions	(10,228)			-
Laws of 2005, CH 347 (STB)	12,678,400	10,450,045	816,453	11,266,498
Change in Authorization	150,000			-
Art in Public Places	(10,400)			-
BoF Reversions	(209,279)			-
Laws of 2004, CH 117 (GOB)	11,156,000	10,895,134	30,432	10,925,566
BoF Reversions	(73,318)			-
Laws of 2004, CH 126 (STB)	10,963,000	9,732,229	288,375	10,020,604
Change in Authorization	(150,000)			-
Art in Public Places	(14,700)			-
BoF Reversions	(219,604)			-
Laws of 2003, CH 429 (STB)	8,975,613	8,215,387	224,886	8,440,273
Change in Authorization	24,453			-
BOF/PED Adjustment	20,000	(35,000)		(35,000)
BoF Reversions	(275,534)			-
Laws of 2002, CH 110 (STB)	(1,050)			-
BOF/PED Adjustment	309,033	248,399	12,342	260,741
BoF Reversions	-	45,748		45,748
Laws of 2009, CH 128 (STB)	(2,544)			-
Transfers	<u>70,000</u>	<u>391,484</u>	<u>92,199</u>	<u>483,683</u>
				-
<b>TOTAL CASH RECEIPTS</b>	78,376,132	48,382,122	12,353,469	60,735,591

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay 2004 - 81600 - continued  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH OUTLAYS:</b>				
Laws of 2008, CH 92 (STB)	\$ 12,828,469	-	4,480,244	4,480,244
Art in Public Places	(64,630)			-
Laws of 2007, CH 42, Sec 12 (STB)	300,000	-	-	-
Art in Public Places	(3,000)			-
Laws of 2006, CH 108 (GOB)	3,000,000	637,378	1,366,822	2,004,200
Laws of 2006, CH 111 (STB)	19,247,200	8,409,874	4,263,754	12,673,628
Change in Authorization	(235,000)			-
Art in Public Places	(76,750)			-
BOF Reversions	(10,228)			-
Laws of 2005, CH 347 (STB)	12,678,400	10,638,724	769,381	11,408,105
Change in Authorization	150,000			-
Art in Public Places	(10,400)			-
BOF Reversions	(209,279)	-		-
Laws of 2004, CH 117 (GOB)	11,156,000	10,835,965	61,643	10,897,608
BOF Reversions	(73,318)			-
Laws of 2004, CH 126 (STB)	10,963,000	9,319,066	288,375	9,607,441
Change in Authorization	(150,000)			-
Art in Public Places	(14,700)			-
BOF Reversions	(219,604)	-		-
Laws of 2003, CH 429 (STB)	8,975,613	8,629,637	184,531	8,814,168
Change in Authorization	24,453			-
BOF/PED Adjustment	20,000			-
BOF Reversions	(275,534)			-
Art in Public Places	(1,050)			-
Laws of 2002, CH 110 (STB)	309,033	156,668	12,342	169,010
BOF/PED Adjustment	-			-
BOF Reversions	(2,544)			-
Laws of 2009, CH 128 (STB)	70,000			-
Transfers	-	<u>503,801</u>	<u>113,900</u>	<u>617,701</u>
<b>TOTAL CASH OUTLAYS</b>	<b>\$ <u>78,376,132</u></b>	<b><u>49,131,113</u></b>	<b><u>11,540,992</u></b>	<b><u>60,672,105</u></b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>				<b>\$ 63,486</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				<b>701,416</b>
<b>PAYABLES, JUNE 30, 2009</b>				<b><u>(764,902)</u></b>
<b>FUND BALANCE, JUNE 30, 2009</b>				<b>\$ <u>-</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Special Capital Outlay 2000 - 81800  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH RECEIPTS:</b>				
Laws of 2002, CH 23	\$ 2,178,000	2,178,000	-	2,178,000
Increase in Authorization, Laws of 2002, CH 23	85,000	-	-	-
Laws of 2001	1,200,000	1,200,000	-	1,200,000
Laws of 2002 CH 110 (STB)	373,750	250,360	-	250,360
Reversions--Reduction in Auth, Laws of 2002, CH 110	(33,162)	-	-	-
Reversions--Reduction in Auth, Laws of 2002, CH 110	(593)	-	-	-
Laws of 2003 CH 429 (STB)	85,000	17,257	-	17,257
Laws of 2003 CH 429	3,280,800	1,700,000	-	1,700,000
Laws of 2003 CH 385	880,300	720,000	-	720,000
Reversion-Reduction in Auth, Laws of 2003, Ch. 385	(75,000)	-	(75,000)	(75,000)
Laws of 2004 CH 126 Sec 145	500,000	500,000	-	500,000
Laws of 2004 CH 126 Sec 136 & 137	21,330,831	21,330,831	-	21,330,831
Reversion- Reduction in Auth, Laws of 2004, Ch. 126	(45,000)	-	(45,000)	(45,000)
Laws of 2005 CH 347 Sec 48	20,060,590	20,038,090	22,500	20,060,590
Laws of 2005 CH 347 Sec 256	50,000	50,000	-	50,000
Laws of 2006, CH 111, Sec 39	25,826,000	24,126,000	-	24,126,000
Laws of 2006, Ch. 107, Sec. 175	100,000	100,000	-	100,000
Laws of 2006, Ch. 107, Sec. 64	45,000	45,000	-	45,000
Laws of 2006, Ch. 107, Sec 87 & 132	75,000	-	75,000	75,000
Laws of 2007, Ch. 2, Sec. 16	11,302,100	11,302,100	-	11,302,100
Laws of 2007, Ch. 42, Sec. 55	52,305,034	52,305,034	-	52,305,034
Laws of 2007, Ch. 341, Sec. 204	40,000	40,000	-	40,000
Laws of 2007, Ch. 341, Sec. 207	76,000	76,000	-	76,000
Laws of 2007, Ch. 341, Sec. 209	100,000	-	100,000	100,000
Laws of 2007, Ch. 341, Sec 333	1,980,000	-	1,980,000	1,980,000
Laws of 2008, Ch. 92, Sec. 44	18,980,000	18,980,000	-	18,980,000
Laws of 2008, Ch. 83, Sec. 108	25,000	25,000	-	25,000
Laws of 2008, Ch. 83, Sec 173, 312	130,000	-	130,000	130,000
Laws of 2008, Ch. 83, Sec 102, 84, 115, 232, 351	250,000	-	250,000	250,000
Laws of 2009, Ch. 128, Sec. 99, 144, 345	82,639	-	82,639	82,639
Laws of 2009, Ch. 128, Sec 106	50,000	-	50,000	50,000
Laws of 2009, Ch 128, Sec 129, 137, 267	200,000	-	200,000	200,000
Laws of 2009, Ch. 128, Sec 468	198,000	-	198,000	198,000
Laws of 2009, Ch 128, Sec 108	25,000	-	25,000	25,000
Refunds/cancelled warrants	-	21,954	-	21,954
Reversions	-	6,921	-	6,921
Transfers	-	5,647	3,922	9,569
Total cash receipts	161,660,289	155,018,194	2,997,061	158,015,255

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT  
Special Capital Outlay 2000 - 81800 - continued  
Schedule of Multi-year Budgeted Special Capital Outlay Fund - continued

AS OF JUNE 30, 2009

	Project Authorization	Prior Years	Current Year	Total to Date
<b>CASH OUTLAYS:</b>				
Laws of 2002, CH 23	\$ 2,263,000	2,855,622	-	2,855,622
Laws of 2001	1,200,000	453,968	-	453,968
Laws of 2002 CH 110 (STB)	373,750	283,522	-	283,522
Reversions--Reduction in Auth, Laws of 2002, CH 110	(33,162)	-	-	-
Reversions--Reduction in Auth, Laws of 2002, CH 110	(593)	-	-	-
Laws of 2003 CH 429 (STB)	85,000	85,000	-	85,000
Laws of 2003 CH 429	3,280,800	3,363,854	1,357	3,365,211
Laws of 2003 CH 385	880,300	324,429	196,580	521,009
Reversion-Reduction in Auth, Laws of 2003, Ch. 385	(75,000)	-	-	-
Laws of 2004 CH 126 Sec 145	500,000	-	-	-
Laws of 2004 CH 126 Sec 136 & 137	21,330,831	19,454,029	610,948	20,064,977
Reversion- Reduction in Auth, Laws of 2004, Ch. 126	(45,000)	-	-	-
Laws of 2005 CH 347 Sec 48	20,060,590	16,679,077	1,525,896	18,204,973
Laws of 2005 CH 347 Sec 48 - reauthorization	-	-	148,500	148,500
Laws of 2005 CH 347 Sec 256	50,000	50,000	-	50,000
Laws of 2006, CH 111, Sec 39	25,826,000	16,937,040	5,562,513	22,499,553
Laws of 2006, Ch. 107, Sec. 175	100,000	-	-	-
Laws of 2006, Ch. 107, Sec. 64	45,000	-	-	-
Laws of 2006, Ch. 107, Sec 87 & 132	75,000	-	50,000	50,000
Laws of 2007, Ch. 2, Sec. 16	11,302,100	3,794,884	4,367,506	8,162,391
Laws of 2007, Ch. 42, Sec. 55	52,305,034	15,968,285	16,372,079	32,340,363
Laws of 2007, Ch. 42, Sec. 55 - reauthorization	-	-	1,750,000	1,750,000
Laws of 2007, Ch. 341, Sec. 204	40,000	-	15,200	15,200
Laws of 2007, CH 341, Sec 207	76,000	-	-	-
Laws of 2007, Ch. 341, Sec. 209	100,000	-	-	-
Laws of 2007, Ch. 341, Sec 333	1,980,000	-	-	-
Laws of 2008, Ch. 92, Sec. 44	18,980,000	44,497	5,431,130	5,475,627
Laws of 2008, Ch. 83, Sec. 108	25,000	-	-	-
Laws of 2008, Ch. 83, Sec 173, 312	130,000	-	-	-
Laws of 2008, Ch. 83, Sec 102, 84, 115, 232, 351	250,000	-	78,521	78,521
Laws of 2009, Ch. 128, Sec. 99, 144, 345	82,639	-	-	-
Laws of 2009, Ch. 128, Sec 106	50,000	-	-	-
Laws of 2009, Ch 128, Sec 129, 137, 267	200,000	-	-	-
Laws of 2009, Ch. 128, Sec 468	198,000	-	-	-
Laws of 2009, Ch 128, Sec 108	25,000	-	-	-
Reversions	-	6,921	-	6,921
Transfers	-	237,347	2,949	240,296
<b>TOTAL CASH OUTLAYS</b>	<b>\$ 161,660,289</b>	<b>80,538,476</b>	<b>36,113,172</b>	<b>116,651,655</b>
<b>EXCESS OF CASH RECEIVED OVER CASH OUTLAYS</b>				<b>\$ 41,363,600</b>
<b>RECEIVABLES, JUNE 30, 2009</b>				<b>3,648,037</b>
<b>PAYABLES, JUNE 30, 2009</b>				<b>(45,555,479)</b>
<b>FUND BALANCE, JUNE 30, 2009</b>				<b>\$ (543,842)</b>

See Independent Auditors' Report.



**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes to Trust Funds and Agency Funds**

---

**Trust Funds**

Private-Purpose Trust Funds are used to report arrangements under which principal or interest benefits specific individuals, private organizations or other government - but not the reporting government.

Eva Lou Kelly Scholarship Fund - The Eva Lou Kelly Scholarship fund accounts for assets held in trust for the continuation of "deserving boys and girls". (Fund 61600)

Tutor-Scholars Program Fund - The Tutor-Scholars Program fund accounts for donations, primarily corporate, to fund scholarships for academically successful students who tutor at-risk high school students. Tutor-scholars may receive scholarships up to \$3,000 per year for use at any public or private post-secondary school in New Mexico. (Fund 99300)

**Agency Funds**

Agency Funds are used to account for assets held on behalf of individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Driver Safety Fees - The Driver Safety Fee fund is used to accumulate the driver safety fee in the amount of \$3 for each driver's licence or duplicate driver's license issued. The fees are distributed through the State Equalization Guarantee distribution to each school district for the purpose of providing defensive driving instruction (NMSA 1978, Section 66-5-44). (SHARE Fund 57300)

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Statement of Net Assets -  
Fiduciary Funds

AS OF JUNE 30, 2009

	Private-Purpose Trusts		
	61600	99300	Total
	Eva Lou Kelly Scholarship	Tutor-Scholars Program	
<b>ASSETS:</b>			
Cash	\$ 37,699	4,876	42,575
Certificate of deposit	20,000	-	20,000
Due from other state agencies	6	-	6
<b>TOTAL ASSETS</b>	\$ 57,705	4,876	62,581
<b>LIABILITIES:</b>			
Due to external parties		-	-
Deposits held for local education agencies	-	-	-
<b>TOTAL LIABILITIES</b>	-	-	-
<b>NET ASSETS:</b>			
Reserve for scholarship	57,705	4,876	62,581
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 57,705	4,876	62,581

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Statement of Changes in Net Assets -  
Fiduciary Funds

---

AS OF JUNE 30, 2009

	Private-Purpose Trusts		
	61600	99300	Total
	Eva Lou Kelly Scholarship	Tutor-Scholars Program	
<b>ADDITIONS:</b>			
Interest	\$ 965	-	965
<b>TOTAL ADDITIONS</b>	965	-	965
<b>DEDUCTIONS:</b>			
Scholarship expense	-	-	-
<b>TOTAL DEDUCTIONS</b>	-	-	-
<b>CHANGES IN NET ASSETS</b>	965	-	965
<b>NET ASSETS, BEGINNING OF YEAR</b>	56,740	4,876	61,616
<b>NET ASSETS, END OF YEAR</b>	\$ 57,705	4,876	62,581

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Net Assets - Public Education Department**

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Investment in State General Fund	
Investment Pool	\$ 147,989,660
Due from other governments	93,859,161
Due from external parties	42,851
Advances to local education authorities	589,386
Prepaid expenses	<u>137,511</u>
<b>TOTAL CURRENT ASSETS</b>	<b>242,618,569</b>
<b>NON-CURRENT ASSETS:</b>	
Capital assets	3,775,055
Less: accumulated depreciation	<u>(3,751,891)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>23,164</b></u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>242,641,733</u></u></b>
Accounts payable	\$ 68,587,443
Accrued payroll and taxes	1,055,848
Deferred revenue	39,646,486
Due to State Treasurer's Office	43,655,876
Due to other governments	52,647,798
Due to local education authorities	41,471
Other liabilities	29,504
Compensated absences payable	<u>1,170,536</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>206,834,962</b>
<b>NET ASSETS:</b>	
Invested in capital assets	23,164
Restricted	40,399,588
Unrestricted	<u>(4,615,981)</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u><u>35,806,771</u></u></b>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Statement of Net Assets - Division of Vocational Rehabilitation -  
Disability Determination Services**

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Investment in State General Fund	
Investment Pool	\$ 5,380,885
Due from other governments	4,397,103
Due from external parties	94,946
Advances to local education authorities	-
Prepaid expenses	<u>14,817</u>
<b>TOTAL CURRENT ASSETS</b>	9,887,751
<b>NON-CURRENT ASSETS:</b>	
Capital assets	2,276,374
Less: accumulated depreciation	<u>(2,096,815)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>179,559</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>10,067,310</u></b>
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 2,586,508
Accrued payroll and taxes	776,546
Deferred revenue	683,472
Due to State Treasurer's Office	718,059
Due to other governments	254,395
Compensated absences payable	<u>893,851</u>
<b>TOTAL CURRENT LIABILITIES</b>	5,912,831
<b>NET ASSETS:</b>	
Invested in capital assets	179,559
Restricted	189,679
Unrestricted	<u>3,785,241</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>4,154,479</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statement of Activities - Public Education Department

YEAR ENDED JUNE 30, 2009

		<u>Program Revenues</u>	
	<u>Expenses</u>	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES</b>			
Education	\$ 2,987,428,854	382,765,944	(2,604,662,910)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	\$ 2,987,428,854	382,765,944	(2,604,662,910)
<b>GENERAL REVENUES:</b>			
Proceeds of state general obligation and severance tax bonds			36,748,301
<b>TRANSFERS:</b>			
State appropriations (other state funds)			2,615,736,457
Inter-agency transfers			15,275,349
Reversions			(51,609,619)
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>			2,616,150,488
<b>CHANGE IN NET ASSETS</b>			11,487,578
<b>NET ASSETS, BEGINNING OF YEAR</b>			95,555,170
<b>RESTATEMENTS</b>			(71,235,977)
<b>NET ASSETS, BEGINNING OF YEAR, restated</b>			24,319,193
<b>NET ASSETS, END OF YEAR</b>		\$	35,806,771

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Statement of Activities - Division of Vocational Rehabilitation -  
Disability Determination Services

YEAR ENDED JUNE 30, 2009

		<u>Program Revenues</u>	
	<u>Expenses</u>	Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES</b>			
Health and welfare	\$ <u>41,529,806</u>	<u>34,088,758</u>	<u>(7,441,048)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	\$ <u>41,529,806</u>	<u>34,088,758</u>	(7,441,048)
<b>TRANSFERS</b>			
Transfers, net			163,287
State appropriations (other state funds)			<u>7,360,673</u>
<b>TOTAL TRANSFERS</b>			<u>7,523,960</u>
<b>CHANGE IN NET ASSETS</b>			82,912
<b>NET ASSETS, BEGINNING OF YEAR</b>			4,071,567
<b>RESTATEMENTS</b>			<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR, restated</b>			<u>4,071,567</u>
<b>NET ASSETS, END OF YEAR</b>			\$ <u>4,154,479</u>

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Schedule of Changes in Assets and Liabilities -  
Agency Fund**

**AS OF JUNE 30, 2009**

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>ASSETS:</b>				
Cash and temporary investments	\$ 1,042,971	1,513,883	-	2,556,854
Due from other state agencies	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,042,971</u></b>	<b><u>1,513,883</u></b>	<b><u>          -</u></b>	<b><u>2,556,854</u></b>
<b>LIABILITIES:</b>				
Due to external parties	\$ <u>1,042,971</u>	<u>1,513,883</u>	<u>          -</u>	<u>2,556,854</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>1,042,971</u></b>	<b><u>1,513,883</u></b>	<b><u>          -</u></b>	<b><u>2,556,854</u></b>



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Supplemental Schedule of Cash and Cash Equivalents

YEAR ENDED JUNE 30, 2009

Agency/ Fund	Account Name	General Ledger Balance
<b>General Fund:</b>		
924-05700	PED (State Public Education Department) - includes fund 924-500	\$ 2,937,011
644-50000	DVR (Division of Vocational Rehabilitation)	4,566,545
644-50100	DDS (Disability Determination Service) - includes Fund 644-519	<u>(718,059)</u>
<b>Total General Fund</b>		6,785,497
<b>Special Revenue and Capital Outlay Funds:</b>		
924-00500	Schools in Need of Improvement	1,612,657
924-20160	Ed Tech Deficiency Correct	1,620,522
924-29100	Special Capital Outlay - General Fund (1995)	-
924-33400	Family Youth	1,084,812
924-38700	Special Capital Outlay - General Fund (1996)	-
924-39700	Educator Certification	470,918
924-45800	Adult Basic Education	122,564
924-46800	Special Capital Outlay - STB (1999)	-
924-47000	Charter School Stimulus	681,071
924-51300	Pre-Kindergarten	3,839,983
924-54000	Special Capital Outlay - STB (1998)	-
924-54100	Special Capital Outlay - STB (1998)	-
924-54200	Special Capital Outlay - STB (1998)	-
924-54300	Special Capital Outlay - STB (1998)	-
924-56200	Professional Development	974,363
924-56800	Incentive for School Improvement	181,996
924-58600	Reading Materials	189,746
924-63300	Indian Education Act	4,086,768
924-63400	Public School Capital Improvements	5,352,228
924-63500	Public School Capital Outlay (Other)	1,778,815
924-63600	Kindergarten Capital Funding	-
924-63900	Kindergarten Plus	88,238
924-66000	Instructional Materials Adoption	327,169
924-66100	Special Capital Outlay - STB (1994)	26,670
924-66200	Education Technology	644,755
924-66900	School Library	126,424
924-67200	Federal School Food Services Flowthrough	(7,865,370)
924-67300	Federal Public Education Dept. Flowthrough	(29,444,999)
924-67400	Federal Vocational Education Flowthrough	1,434,523

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Supplemental Schedule of Cash and Cash Equivalents - continued

YEAR ENDED JUNE 30, 2009

Agency/ Fund	Account Name	General Ledger Balance
<b>Special Revenue and Capital Outlay Funds - continued:</b>		
924-72500	Public Building Energy Efficiency Act	\$ 139,453
924-79000	Special Projects	31,048,996
924-81300	Special Capital Outlay - STB (2000)	(219,621)
924-81600	Special Capital Outlay - STB (2004)	63,486
924-81800	Special Capital Outlay - STB (2000)	41,363,600
924-84400	Federal Administrative Cost	(6,125,886)
924-85600	Instructional Materials Flowthrough	6,123,620
924-85700	State Support Reserve	1,000,000
924-85800	Public School Support Flowthrough	40,392,507
924-88900	Transportation Emergency	276,815
644-28000	Access to Telework Funds	<u>814,340</u>
<b>Total Special Revenue and Capital Outlay Funds</b>		<u>102,211,163</u>
<b>Total General Fund, Special Revenue and Capital Outlay Funds</b>		108,996,660
<b>Trust and Agency Funds:</b>		
924-57300	Driver Safety Fees	-
924-61600	Eva Lou Kelly Scholarship	37,699
924-61600	Eva Lou Kelly Scholarship-CD with Charter Bank	20,000
924-99300	Tutor Scholar Program	<u>4,876</u>
<b>Total Trust and Agency Funds</b>		<u>62,575</u>
<b>Total Cash and Investments, net of Overdrafts</b>		\$ <u>109,059,235</u>

**SINGLE AUDIT**

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Schedule of Expenditures of Federal Awards

AS OF JUNE 30, 2009

Federal Agency/ Pass-Through Agency	Pass-Through	Federal CFDA Number	Federal Participating Expenditures
<b>PUBLIC EDUCATION DEPARTMENT</b>			
<b>DEPARTMENT OF AGRICULTURE:</b>			
<b>Food and Nutrition Service:</b>			
National School Lunch Program/School Breakfast Program	Pass-Through	10.555 / 10.553	\$ 108,272,556
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<b>Office of Elementary and Secondary Education:</b>			
Title I Grants to Local Educational Agencies	Pass-Through	84.010A	107,962,526
Migrant Education - State Grant Program	Pass-Through	84.011A	838,625
Title I Program for Neglected and Delinquent Children	Pass-Through	84.013A	171,917
MEP Consort. Incentive Grants (Migrant Consortium)	Pass-Through	84.144F	244,296
Education for Homeless Children and Youth	Pass-Through	84.196A	489,383
JAVITS Gifted and Talented Students Education Grant Program	Pass-Through	84.206A	128,124
Even Start - State Educational Agencies	Pass-Through	84.213C	531,944
Twenty-first Century Community Learning Centers	Pass-Through	84.287C	7,622,348
State Grants for Innovative Programs	Pass-Through	84.298A	268,222
Education Technology State Grants	Pass-Through	84.318X	2,658,970
Comprehensive School Reform Demonstration	Pass-Through	84.332A	46,782
Reading First State Grants	Pass-Through	84.357A	4,259,986
Rural Education	Pass-Through	84.358B	1,433,104
English Language Acquisition Grants	Pass-Through	84.365A	3,795,899
Mathematics and Science Partnerships	Pass-Through	84.366B	1,898,920
Improving Teacher Quality State Grants	Pass-Through	84.367A	20,091,899
Grants for State Assessments and Related Activities	Pass-Through	84.369A	3,037,798
School Achievement Fund 1003(g)	Pass-Through	84.377A	<u>3,718,392</u>
<b>Total Office of Elementary and Secondary Education</b>			<b>159,199,135</b>
<b>Office of Special Education and Rehabilitative Services:</b>			
Special Education - Grants to States	Pass-Through	84.027A	80,685,229
Special Education - Preschool Grants	Pass-Through	84.173A	3,070,352
Special Education - State Personnel Development	Pass-Through	84.323A	<u>843,236</u>
<b>Total Office of Special Education and Rehabilitative Services</b>			<b>84,598,817</b>
<b>Office of Safe and Drug-Free Schools:</b>			
Safe and Drug-Free Schools and Communities - State Grants	Pass-Through	84.186A	1,796,863

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Schedule of Expenditures of Federal Awards - continued

AS OF JUNE 30, 2009

Federal Agency/ Pass-Through Agency	Pass-Through	Federal CFDA Number	Federal Participating Expenditures
<b>PUBLIC EDUCATION DEPARTMENT - continued</b>			
<b>U.S. DEPARTMENT OF EDUCATION - continued:</b>			
<b>Office of the Assistant Secretary for Post-secondary Education:</b>			
Byrd Honors Scholarships	Pass-Through	84.185A	\$ 233,502
<b>Office of the Asst. Secretary for Educational Research and Improvement:</b>			
Fund for the Improvement of Education	Pass-Through	84.215V	64,468
<b>Office of Innovation and Improvement:</b>			
Charter Schools	Pass-Through	84.282A	6,519,119
Advance Placement Program	Pass-Through	84.330B	92,500
Transition to Teaching	Pass-Through	84.350B	<u>731,910</u>
<b>Total Office of Innovation and Improvement</b>			<b>7,343,529</b>
<b>Office of Vocational and Adult Education:</b>			
Voc. Educ. - Basic Grants to States/Adult Educ. - State Grant Program		84.048A / 84.002	8,571,678
Tech-Prep Education		84.243A	<u>2,295,527</u>
<b>Total Office of Vocational and Adult Education</b>			<b><u>10,867,205</u></b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			372,376,075
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<b>Centers for Disease Control and Prevention:</b>			
Centers for Disease Control and Prev. - Investigations and Tech. Assistance	Pass-Through	93.283	456,874
<b>CORPORATION FOR NATIONAL COMMUNITY SERVICES:</b>			
Learn and Serve America - School and Community Based Programs		94.004	10,398
NCES			10,360
HOMELAND SECURITY			59,250
NAEP			131,018
FED FISCAL RELIEF			<u>49,313</u>
<b>TOTAL EXPENDITURES - PUBLIC EDUCATION DEPARTMENT</b>			<b>\$ <u>373,093,289</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Schedule of Expenditures of Federal Awards - continued

AS OF JUNE 30, 2009

Federal Agency/ Pass-Through Agency	Pass-Through	Federal CFDA Number	Federal Participating Expenditures
<b>DIVISION OF VOCATIONAL REHABILITATION</b>			
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<b>Office of Special Education and Rehabilitative Services:</b>			
Rehabilitation Services - Vocational Rehabilitation Grants to States		84.126A	\$ 26,874,837
Independent Living State Grants		84.169A	272,245
Rehab. Training - State Vocational Rehabilitation Unit In-Service Training		84.265A	45,489
Supported Employment Services for Individuals with Severe Disabilities		84.187A	244,500
Rehabilitation Services - Service Projects		84.128G	310,088
State Grants for Assistive Technology		84.244A	384,848
New Mexico Assistive Technology Reutilization Acquisition Model (NMRAM)		84.235V	230,669
Mentoring Transition Age Youth		84.235S	204,454
Rehabilitation Services Demonstration and Training Programs		84.235T	<u>52,640</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>28,619,770</b>
<b>SOCIAL SECURITY ADMINISTRATION:</b>			
Social Security - Work Incentives Planning and Assistance		96.008	109,758
Social Security - Disability Insurance		96.001	<u>11,489,786</u>
<b>TOTAL SOCIAL SECURITY ADMINISTRATION</b>			<b><u>11,599,544</u></b>
<b>TOTAL FEDERAL FUNDS</b>			<b>40,219,314</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<b>Centers for Medicare and Medicaid Services:</b>			
Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities		93.768	299,055
<b>DEPARTMENT OF LABOR:</b>			
Employment Service/Wagner-Peyser Funded Activities		17.207	569,364
<b>OTHER:</b>			
NMSU LINGS		93.558	2,335
RAISE - Disability & Business Technical Assistance Center		84.133	<u>105,839</u>
<b>TOTAL OTHER</b>			<b><u>108,174</u></b>
<b>TOTAL EXPENDITURES - DIVISION OF VOCATIONAL REHABILITATION</b>			<b><u>41,195,907</u></b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ <u>414,289,196</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Notes to Schedule of Expenditures of Federal Awards

AS OF JUNE 30, 2009

NOTE 1.

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Department and is presented on the modified accrual basis of accounting.

NOTE 2.

The Department did not receive any federal awards in the form of non-cash assistance during the year.

NOTE 3.

Total amounts labeled as "Pass-Through" are \$ 361,965,744

**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***

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the remaining aggregate fund information, the budgetary comparisons for the General Fund and major special revenue funds and the non-major government funds, fiduciary funds and the major capital project and non-major budgetary comparisons and the budgetary comparisons for the discretely presented component units presented as supplemental information of the State of New Mexico Public Education Department (the Department) as of and for the year ended June 30, 2009, and have issued our report thereon, dated November 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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





State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

### **Internal Control Over Financial Reporting - continued**

control deficiency, or a combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control. We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting: 09-3, 0 9-8, 09-14, 09-19 and 08-8.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 08-8 to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's basic 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 that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 09-1 through 09-13, 09-16 through 09-18, 09-21 through 09-26, 01-8, 03-12, 06-12 and 08-7.

We noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revision paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 09-1, 09-3, 09-5, 09-6, 09-8, 09-9, 09-11 through 09-13, 09-15 through 09-19, 09-21 through 09-24, 09-26, 08-1, 08-2, 08-4, 07-21 and 06-3.

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

The Department's responses to the findings identified in our audit are described in the schedule of findings. We did not audit the Department's response and accordingly do not express opinion on it.

This report is intended solely for the information and use of management of the Department, the New Mexico Legislature, Department of Finance and Administration, the New Mexico Office of the 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.

*Meyers + Company, LLC*

November 25, 2009

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

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

**Compliance**

We have audited the compliance of the State of New Mexico Public Education Department (the Department) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department'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, *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 Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Department's compliance with those requirements.

In our opinion, the Department complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures also disclosed other instances of noncompliance with those requirements, 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 items 09-4, 09-7, 09-10, 01-8, 03-12, 06-12, 08-7 and 08-8.

MEYNER'S + COMPANY, LLC

Certified Public Accountants/Consultants to Business



500 Marquette NW, Suite 800 Albuquerque, NM 87102

P 505/842-8200 F 505/842-1568 E [cpa@meyners.com](mailto:cpa@meyners.com)

[www.meyners.com](http://www.meyners.com)

An Independent Member of the BDO Sridman Alliance

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

## **Compliance – continued**

### **Internal Control Over Compliance**

The management of the Department is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Department's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

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

A **control deficiency** in the Department's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A **significant deficiency** is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Department's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 03-12, 06-12 and 08-8 to be significant deficiencies.

A **material weakness** is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 08-8 to be a material weakness.

State of New Mexico  
Public Education Department  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

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

This report is intended solely for the information and use of the Department's management, federal awarding agencies and pass-through entities, the New Mexico State Legislature, Department of Finance and Administration, and the New Mexico Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

*Meyers + Company, LLC*

November 25, 2009

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Schedule of Findings and Questioned Costs

---

YEAR ENDED JUNE 30, 2009

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses a unqualified opinion on the basic financial statements of the New Mexico Public Education Department (the Department).
2. Five significant deficiencies relating to the audit of the financial statements are reported in the 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, one of which is considered to be a material weakness.
3. There was one instance of noncompliance material to the financial statements of the Department disclosed during the audit.
4. Three significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Report on Compliance with the Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133. Of these deficiencies, one is considered to be material weaknesses.
5. The auditors' report on compliance for the major federal award programs for the Department expresses an unqualified opinion.
6. The programs tested as major programs are:

84.010	Title I Grants to Local Educational Agencies
84.027/84.173	Special Education – Preschool Grants
84.367	Improving Teacher Quality State Grants
84.282	Charter Schools
84.365	English Language Acquisition Grants
84.287	Twenty-first Century Community Learning Centers
84.357	Reading First State Grants
84.369	Grants for State Assessments and Related Activities
84.048/84.002	Voc. Education – Basic Grants to States/Adult Educ. State Grant Program
10.555/10.553	National School Lunch Program / School Breakfast Program
84.377	School Achievement Fund
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
96.001	Social Security – Disability Insurance
7. The threshold for distinguishing Types A and B programs was \$3,000,000.
8. It was determined that the Department was **not** a low-risk auditee.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

The State of New Mexico Public Education Department is made up of two distinct appropriated entities: the Public Education Department (PED) and the Division of Vocational Rehabilitation (DVR). The applicable department is indicated next to the title of each finding.

**09-1 CONTROL DEFICIENCY OVER FORMAL BACKUP POLICIES AND PROCEDURES – PED/DVR**

**Condition:** The Department does not have formal finalized backup policies and procedures per statewide policy of backup standards, S-STD010.001.

**Criteria:** Per New Mexico State Information Backups Standards, S-STD010.001, all agencies should document policies, procedures and retention of backups.

**Cause:** Management does not currently consider this issue a priority.

**Effect:** None-compliance with Backups Standards, S-STD010.001. Improper backup may result in a loss of sensitive financial data in the event of a system failure.

**Recommendation:** We recommend that management should make drafting and formalizing backup policies and procedures a high priority

**Management's Response:** Management concurs and will make the drafting and formalizing of backup policies and procedures a high priority.

**09-2 CONTROL DEFICIENCY OVER CASH DISBURSEMENTS TO STATE-CHARTERED SCHOOLS - PED**

**Condition:** During the controls testwork for timely cash reimbursements to state-chartered schools, it was noted that 3 of the 40 items tested had been disbursed to the recipients later than 28 days period established by PED. The total late disbursements amounted to \$16,889.

**Criteria:** The Department is required to reimburse state-chartered schools for the expenditures incurred within 28 days from the day of approval.

**Cause:** Failure or lack of controls over reimbursement process.

**Effect:** State-chartered schools have had and may have cash deficits due to the untimely processing of reimbursement requests. This holds available cash that can be used for other services.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-2 CONTROL DEFICIENCY OVER CASH DISBURSEMENTS TO STATE-  
CHARTERED SCHOOLS – PED - continued**

**Recommendation:** We recommend that management establishes and implements procedure to ensure timely cash reimbursements to state-chartered schools according to the time frame established by the Federal agency.

**Management's Response:** Huge gains have been made in the effort to reduce turn-around time of payments. The PED will continue to work to reduce turn-around times in order to adhere to established timelines.

**09-3 SIGNIFICANT DEFICIENCY OVER FIXED ASSETS RECORD KEEPING - PED**

**Condition:** Fixed assets are not maintained in accordance with New Mexico Administrative Code 2.20.1.8 requirement. The Department tracks fixed assets on Excel spreadsheet that does not specify acquisition dates, which significantly complicates the process of verifying balances of the estimates.

**Criteria:** New Mexico Administrative Code 2.20.1.8, *Fixed Assets Accounting System*, states that the fixed assets listing shall include: Agency Name, Fixed Asset Number, Description, Location, Manufacturer Name, Model Number, Serial Number, Estimated Useful Life, Date Acquired, Cost, Fund and Organization that Purchased the Asset.

**Cause:** Failure or lack of internal controls over maintaining a proper fixed assets accounting system.

**Effect:** Due to the lack of information that significantly effects the estimate calculations, the Department may have errors estimating the expense and related addition to accumulated depreciation account.

**Recommendation:** We recommend that management creates and maintains a proper fixed asset system that includes all the necessary information

**Management's Response:** This finding relates directly to Finding 08-02 (IT Inventory certification) as IT equipment comprise the majority of capital assets. Management will make every effort to ensure that this finding is resolved by the end of FYE 6/30/10.



Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-5 CONTROL DEFICIENCY OVER REIMBURSEMENT OF TRAVEL  
EXPENDITURES – PED**

**Condition:** During the per diem testwork, it was noted that one out of 40 travel reimbursements was made for the actual expenses incurred in addition to partial day per diem rate. It was also noted that business travel was sponsored by an entity other than PED, therefore eliminating the right of employee to per diem rate reimbursement. The overpayment amounted to \$16.06.

**Criteria:** Per NMSA 2.42.2.9, Travel and Per Diem, Section 8, Per Diem Rates Proration, in the case of lodging and/or meals that are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses.

**Cause:** Lack of controls associated with the per diem recalculation and review process.

**Effect:** The Department is not in compliance with the Per Diem Code..

**Recommendation:** We recommend the Department implements NMSA 2.42.2.9 requirements and implements per diem recalculation and review procedures..

**Management's Response:** Management concurs with the finding. Employees of the Financial Services Bureau will be trained/advised as to 2.42.2 NMAC.

**09-6 CONTROL DEFICIENCY OVER DEPOSIT OF CASH RECEIPTS – PED**

**Condition:** During the cash receipts testwork it was noted that, for one out of 40 cash receipts sampled, the Department did not deposit cash within 1 business day from the day of receipt. The total deposit packet not being deposited timely amounted to \$17,693.

**Criteria:** Per Manual of Model Accounting Practices' (MAPs), FIN 2, all state agencies must deposit monies received with the State Treasurer's Office or with the authorized banking institution by the close of the next business day after receipt.

**Cause:** Lack or failure of internal controls surrounding cash deposit process

**Effect:** The Department is not in compliance with the FIN 2 of Manual of Model Accounting Practices (MAPs). The untimely deposit of cash may lead to loss of interest on the timely deposited cash, or asset misappropriation.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-6 CONTROL DEFICIENCY OVER DEPOSIT OF CASH RECEIPTS – PED - continued**

**Recommendation:** We recommend that management establish and follow procedures necessary to ensure timely deposits of cash receipts as mandated by FIN 2 of Manual of Model Accounting Practices (MAPs).

**Management's Response:** Management concurs with this finding. A review of all programs that receive payments will be conducted in order to ascertain where procedures have failed or have not been followed, in order to ensure timely deposit. Policies and procedures will be revised accordingly.

**09-7 CONTROL DEFICIENCY OVER REPORTING PROCESS– PED**

**Federal Programs:**

Carl Perkins Cluster – U.S. Department of Education, CFDA 84.048/84.002

**Condition:** During the A-133 testwork, it was noted that annual Financial Status report (SF-272) for federal grant 84.048 was not based on the actual financial data supported by Department's general ledger.

**Criteria:** Financial reports should be based on the actual financial information.

**Cause:** Lack or failure of internal controls preparing and reviewing the required reports.

**Effect:** Reports may have had variances that could not be reconciled or explained, was not based on actual financial information, and therefore was unreliable.

**Recommendation:** We recommend that management implements a system which would ensure that federal reports are based on the actual financial information, as well as the process of reviewing reports prior to submission.

**Management's Response:** Management concurs with the finding. Per the auditors' recommendation, policies and procedures will be established to ensure that the report is properly supported and that it agrees to the general ledger.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-8 SIGNIFICANT DEFICIENCY OVER REVERSIONS TO THE STATE GENERAL FUND – PED**

**Condition:** The Department had issues identifying closed out projects that were required to revert any remaining unused appropriation and encumbering those projects that were continuing to be active for Fund 79000.

**Criteria:** Section 6-5-10, NMSA 1978, requires “all reserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30, be reverted by September 30 to the general fund. The division may adjust the reversion within forty-five days of release of the audit report for that fiscal year.” The 2009 New Mexico State Auditor Rule 2.2.2.12(A)(6)(b) requires a finding should an agency not be in compliance with this requirement.

**Cause:** The Department does not have effective procedures in place to ensure timely reversion of these funds to the State General Fund or the recording of encumbrances for specific project.

**Effect:** The Department is not in compliance with 6-5-10, NMSA 1978 and some projects may not be encumbered at year end.

**Recommendation:** We recommend that the Department implement controls to ensure all required reversions are reverted in a timely manner, but no later than September 30 following the fiscal year end, and a detailed by project reconciliation of fund 79000 in order to establish the needed encumbrances.

**Management’s Response:** The Department agrees with this finding and will implement the policies and procedures necessary to ensure that project balances are accurate, that necessary encumbrances are affected by year-end, and that accurate and appropriate amounts are reverted as required by law.

**09-9 CONTROL DEFICIENCY OVER DISASTER RECOVERY PLAN – DVR**

**Condition:** During the IT assessment, we noted that Division of Vocational Rehabilitation does not have formal disaster recovery plan.

**Criteria:** Per New Mexico Statewide Policy S-STD003.001, IT Risk Management Standard, DVR should have a formal disaster recovery plan that is tested annually.

**Cause:** Management does not consider implementing disaster recovery plan a priority.

**Effect:** Possible loss of financial information as well as fiduciary breach and risk of data corruption.

**Recommendation:** We recommend that management implements, tests and finalizes a disaster recovery plan.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-9 CONTROL DEFICIENCY OVER DISASTER RECOVERY PLAN – DVR - continued**

**Management's Response:** NMDVR will work with guidance from DoIT on developing and testing a formal disaster recovery plan.

**09-11 CONTROL DEFICIENCY OVER PERSONNEL FILE MAINTENANCE – DVR**

**Condition:** During the internal controls test work for payroll, it was noted that one out of 40 personnel files did not include a completed I-9 form.

**Criteria:** Per NMSA 1.18.378.17 an agency must verify employment eligibility, and have a completed form I-9 in the personnel file upon hire.

**Cause:** Lack or failure of internal controls over the proper human resources record keeping process.

**Effect:** The agency is not in compliance with NMSA 1.18.378.17, missing information could lead to legal issues concerning employees' eligibility to work for the state agency.

**Recommendation:** We recommend that management implements the process that would allow for proper recordkeeping.

**Management's Response:** NMDVR will continue to ensure that all I-9s are kept within the respective personnel file. A copy of a signed I-9 has been retained for the employee missing the form.

**09-12 CONTROL DEFICIENCY OVER APPROVAL OF VENDOR PAYMENTS – DVR**

**Condition:** During the internal control walk through documentation, it was noted that payments being submitted from the Field to Accounts Payable in many cases appear to be "unauthorized services". In addition, several payments have violated the 45 Day Rule to render payment to vendor.

**Criteria:** Per NMDVR's exemption the "Authorization for Purchase" replaces the Purchase Order format related to case service expenditures. However, DVR still requests to have a signed Authorization issued and in place prior to any goods or services being rendered. Payments have violated the 45 Day Rule mandated by the State Procurement code. NMSA 1978, Chapter 13, Public Purchases and Properties (13-1-158 Payment of Purchases) requires good and services are paid no later than 45 days after provided to the Agency or Client.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-12 CONTROL DEFICIENCY OVER APPROVAL OF VENDOR PAYMENTS – DVR - continued**

**Cause:** Designees other than the Counselor' signing to authorize and certify goods or services have been received. Through Accounts Payable review, it has come to our attention that in some cases, a Rehab Tech or Secretary will sign on behalf of the Counselor. This break down of a control has prompted the Accounts Payable Fiscal Unit to obtain signature sheets for each Counselor and when Accounts Payable is reviewing an authorization, it does follow through with review of the Counselor signature. Related to 45 day payment violations, the Accounts Payable unit has instituted memos of justification from Field staff to justify why occurrences are being obtained.

**Effect:** Unauthorized transactions are being approved and paid.

**Recommendation:** We recommend that DVR identify the situations in which these unauthorized transactions are taking place and structure controls to mitigate these situations.

**Management's Response:** DVR's Fiscal Unit has required a memo for all unauthorized purchases as well as 45-day Rule violations from the respective Field areas. Memos are required to justify contributing factors related to procuring unauthorized good or services. In some instances, requests for payments are submitted to the Fiscal unit beyond the 45-day rule requirement, for which a memo of justification is required. Some instances related to the 45-day rule can be attributed to the time frame in which the Field Offices will receive a rejection letter due to other non-compliance issues surrounding unauthorized services and the timeframe to resubmit to Santa Fe for re-processing. DVR Fiscal unit will be providing training to staff to ensure that the Field Offices contain adequate internal controls to assure that goods and services are purchased after Counselor authorization is obtained and assure that payment requests are submitted to Santa Fe with sufficient time for processing.

**09-13 COMPLIANCE FINDING OVER TIMELY CASH DEPOSIT**

**Schools:**

Cien Aguas International School (CAIS)  
Cottonwood Classical Preparatory School (CCPS)  
Media Arts Collaborative Charter School (MACCS)  
North Valley Academy (NVA)

**Condition (applies to all schools listed above):** Some cash receipts were not deposited within 24 hours or one business day.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-13 COMPLIANCE FINDING OVER TIMELY CASH DEPOSIT - continued**

**Criteria:** Per Manual of Model Accounting Practices (section 6-10-3, NMSA 1978), FIN 2, money received shall be deposited with State Treasurer's Office or with an Authorized banking institution by the end of the next business day after receipt.

**Cause:** Lack or failure of internal controls over cash managing process.

**Effect:** Non-compliance with Section 6-10-3, NMSA 1978.

**Recommendation:** Review and implement appropriate changes to existing process to ensure compliance with the act.

**Response (CAIS):** The School will implement a policy that will require the administrative assistant to make deposits within 24 hours of receipt. This finding resulted from a check from the Daniels Fund Grant that was used to open a bank account. With all the paperwork for the bank, the school could not have deposited the check within 24 hours but it does understand the rule.

**Response (CCPS):** 2009 was the first year of the school's operations. To create a welcoming community, the school allowed the parent organization to aid in the collection of funds for school shirts, etc. Procedures have been implemented to ensure timely deposit of funds.

**Response (MACCS):** The school will implement a procedure that will have the business manager go to the bank every other day if cash/checks are received, regardless of the amount of deposit.

**Response (NVA):** Staff has been trained and reminded of the State regulation.

**09-14 SIGNIFICANT DEFICIENCY OVER SUPPORTING DOCUMENTATION**

**Schools:**

Cottonwood Classical Preparatory School (CCPS)  
North Valley Academy (NVA)

**Condition (CCPS):** Management could not provide the following items for audit testwork:

- 9 cash receipts
- 1 request for reimbursement
- 1 timesheet
- 1 employee expense reimbursement

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-14 SIGNIFICANT DEFICIENCY OVER SUPPORTING DOCUMENTATION -  
continued**

**Condition (NVA):** Management could not provide the following items for audit testwork:

- 1 employee contract
- 1 cash disbursement
- 2 contracts with outside parties to use NVA facilities

**Criteria:** All transactions should have appropriate supporting documentation.

**Cause:** Lack of procedure to keep track of accounting records. Some records could not be found after being packed for office renovation. Some records were kept offsite (e.g. payroll consultant's office).

**Effect:** Transactions cannot be supported, this may lead to expenses not allowed for reimbursements or deemed unauthorized being reimbursed.

**Recommendation:** Implement procedure to ensure all transactions are readily available and have appropriate supporting documentation; this may include scanning the supporting documentation and digitally archiving it.

**Response (CCPS):** The building in which the school's administrative offices are located was scheduled for a major construction project, requiring a temporary relocation. Files and school documents were moved to facilitate the construction. The school has now relocated back into its offices and is maintaining all documentation as required.

**Response (NVA):** Procedures are in place for disbursements and payroll to ensure all documentation is maintained. The employee contract and cash disbursement were misplaced during the fiscal year. Contracts for the outside parties to use NVA facilities are in place as of 11/30/2009.

**09-15 CONTROL DEFICIENCY OVER PAYROLL REVIEW**

**Schools:**

Cottonwood Classical Preparatory School (CCPS)  
Media Arts Collaborative Charter School (MACCS)

**Condition (CCPS):** One employee was paid 8 hours less than actually worked as verified by approved employee timesheet.

**Condition (MACCS):** One employee was paid \$4,000 more than the employee contract.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-15 CONTROL DEFICIENCY OVER PAYROLL REVIEW - continued**

**Criteria:** Payroll procedures in place failed to agree final payroll to individually calculated batches.

**Cause:** CCPS personnel did not review input performed by their payroll consulting firm.

**Effect:** Employees were inappropriately compensated.

**Recommendation:** Implement procedure to review payroll data prior to the preparation of payroll disbursements.

**Response (CCPS):** New payroll procedures have been implemented to ensure accuracy of payrolls. The error noted was a keying error.

**Response (MACCS):** The school has implemented the following procedure:

The Principal will complete all employee contracts and will send to the Governing Council to approve. The Business Manager will enter the contract information (salaries, benefits, etc) for each employee into the financial software (APTA) for that school year.

No later than two (2) payroll cycles into the employee's contract, the Business Manager will print out a report from APTA that details the payroll information of said contract(s). The Business Manager will give the report to the Principal or another designated employee to verify the report. The designated employee shall have appropriate and authorized access to employee personnel files. The employee reviewing the report will compare the payroll information on the report to the contract(s) in the employee's file. Any discrepancies will be given to the Business Manager to revise in the financial software and will then resubmit the report for review.

If there are no discrepancies, the reviewer will sign the report and give to the Business Manager to file in the Payroll Binder.

**09-16 CONTROL DEFICIENCY OVER PURCHASE ORDER MODIFICATIONS**

**School:**

Cottonwood Classical Preparatory School (CCPS)

**Condition (CCPS):** One purchase order was not updated for additional services provided.

**Criteria:** Per Manual of Model Accounting Practices, FIN 4 a purchase order must be used for all commitments therefore should agree to actual vendor payments.



Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-16 CONTROL DEFICIENCY OVER PURCHASE ORDER MODIFICATIONS - continued**

**Cause:** Lack or failure of controls over purchase transactions and knowledge of the Manual of Model Accounting Practices.

**Effect:** Transactions cannot be supported, this may lead to expenses not allowed for reimbursements or deemed unauthorized being reimbursed.

**Recommendation:** Review and implement appropriate changes to existing procedure to ensure modifications to purchase orders are recorded or result in re-issuance.

**Response (CCPS):** The school's procedures require issuance of an amended purchase order when additional amounts are needed. The procedures will be reemphasized to ensure compliance.

**09-17 CONTROL DEFICIENCY OVER CASH RECONCILIATION**

**Schools:**

International School at Mesa Del Sol (ISMDS)  
North Valley Academy(NVA)  
Taos Academy (TA)

**Condition (ISMDS):** The bank reconciliation did not agree to the trial balance by \$2,200.

**Condition (NVA):** The bank reconciliation did not agree to the trial balance or final cash report by \$1,066.

**Condition (TA):** The bank reconciliation did not agree to the trial balance or final cash report by \$401.

**Criteria:** Per Manual of Model Accounting Practices, FIN 16, all accounting reports must be reviewed for accuracy and completeness to ensure that all transactions are recognized and recorded.

**Cause:** The reconciliation process does not have steps in place to ensure that trial balance cash balance is accurate.

**Effect:** Misstatement of cash and cash balances that may be incorrect thus giving management incorrect information for decision making.

**Recommendation:** Review and implement appropriate changes to existing procedure to ensure cash accounts are reconciled to the trial balance with adjustments recorded as necessary.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-17 CONTROL DEFICIENCY OVER CASH RECONCILIATION - continued**

**Response (ISMDS):** Management agrees with the finding. The School, along with the business manager, is implementing controls to ensure future compliance.

**Response (NVA):** Cash balance is reconciled monthly. The discrepancy discovered was due to additional transactions taking place after year end. In the future, cash will be reconciled at year after all transactions are posted.

**Response (TA):** Management concurs with the finding. The School, along with the business manager, is implementing controls to ensure future compliance.

**09-18 COMPLIANCE FINDING OVER OVER-EXPENDED FUNDS**

**Schools:**

Cottonwood Classical Preparatory School (CCPS)

Horizon Academy West (HAW)

The New America School (NAS)

North Valley Academy (NVA)

Taos Academy (TA)

**Condition (CCPS):** The following fund functions were over-expended:

- Charter School (Planning) Fund – Instruction by \$22,023
- Non-Instructional Support Fund – Instruction by \$3,988
- Technology for Education PED Fund – Instruction \$1,740

**Condition (HAW):** The following fund functions were over-expended:

- Food Services Fund – Operation of Non-Instructional Services by \$172,863
- Elementary & Middle School Initiative – Instruction by \$884

**Condition (NAS):** The following fund function was over-expended:

- Operational Fund – Support Services by \$195

**Condition (NVA):** The following fund functions were over-expended:

- Operational Fund – Support Services by \$28,354
- Beginning Teacher Mentoring Fund – Instruction by \$3,067
- Pre-Kindergarten Special State Fund – Instruction by \$9,537
- Title I – IASA Fund – Instruction by \$1,573

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-18 COMPLIANCE FINDING OVER OVER-EXPENDED FUNDS - continued**

**Condition (TA):** The following fund function was over-expended:

- Operational Fund – Operation of Non-Instructional Services by \$58

**Criteria:** NMAC Title 6, Chapter 20, Part 2.9A states over-expenditure of a function shall not be allowed.

**Cause:** Non-budgeted expenditures were applied against the final budget without submitting Budget Adjustment Requests on time.

**Effect:** The funds described above were over-expended.

**Recommendation:** CCPS should track all expenditures and submit Budget Adjustment Requests to ensure compliance with the final budget.

**Response (CCPS):** The school was awarded a Title I allocation which was budgeted and expended as requested by the NM Public Education Department. The award was then rescinded. The NMPED indicated it would award a Charter School Planning award to cover the expenditure. The award letter was received the last day of June, precluding entry for budget authority. Even though the budget authority was not on OBMS, the PED was aware of the situation.

Fund 23000, Non instructional support funds are not required to be budgeted by the PED.

The Technology for Education Grant was awarded during the fiscal year; however, no actual expenditures were made during the year. The school planned to use the grant in the subsequent fiscal year.

**Response (HAW):** This situation was a result of the School's prior business manager not submitting budget adjustment requests in a timely fashion. The School has hired a new business manager as of July 1, 2009. The new business manager is assisting the School in implementing controls to ensure BARs are submitted to PED timely in an attempt to avoid findings related to budget over-expenditure in the future.

**Response (NAS):** The start up deposit for operational purposes was deposited and used only for check stock and related monthly bank charges. NAS will monitor all future expenditures and submit Budget Adjustment Requests to ensure proper budget authorization.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-18 COMPLIANCE FINDING OVER OVER-EXPENDED FUNDS - continued**

**Response (NVA):** Expenditures are reviewed monthly with the Governance Council and Administration. Final review will take place early enough to allow for Council action on any BAR's needs.

**Response (TA):** Management agrees with the finding. The School, along with the business manager, is implementing controls to ensure future compliance.

**09-19 SIGNIFICANT DEFICIENCY OVER REVIEW AND APPROVAL PROCEDURES**

**Schools:**

Horizon Academy West (HAW)  
International School at Mesa Del Sol (ISMDS)  
North Valley Academy (NVA)

**Condition (HAW):** During the audit it was discovered the following items were not reviewed correctly and/or approved: year-end bank reconciliations, 2 employee expense reimbursements, 15 journal entries, 4 purchase orders.

**Condition (ISMDS):** Two purchase orders were not approved.

**Condition (NVA):** All journal entries tested were not approved by someone other than the preparer

**Criteria:** Manual of Model Accounting Practices' (MAPs), FIN 5 requires that a state agency must have internal controls in place surrounding cash disbursements. All vouchers must be certified as true and correct by the officer or employee designated to make payments, and who is someone other than the individual submitting for the request for expense reimbursement.

All financial transactions and documentation should be reviewed and approved by someone other than the preparer. Per Manual of Model Accounting Practices, FIN 16, all accounting reports must be reviewed for accuracy and completeness to ensure that all transactions are recognized and recorded.

**Cause:** Schools are not in compliance with the requirements listed above. It was also discovered that it has been a few years since the school's accounting manual was updated.

**Effect:** Transactions cannot be supported, this may lead to expenses not allowed for reimbursements or deemed unauthorized being reimbursed.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-19 SIGNIFICANT DEFICIENCY OVER REVIEW AND APPROVAL PROCEDURES - continued**

**Recommendation:** Accounting policies and procedures can be affected by changes in laws and regulations, as well as turnover of accounting personnel. We recommend the current accounting manual be reviewed and updated. This should include adequate procedures over the review and approval processes.

**Response (HAW):** This was a result of the School's prior business manager not submitting all documents to the School for review and approval. The School has hired a new business manager as of July 1, 2009. The new business manager is assisting the School with the implementation of internal controls to ensure journal entries, employee reimbursements, purchase orders and bank reconciliations are performed timely, reviewed and properly approved in the future.

**Response (ISMDS):** Management agrees with the finding. The School, along with the business manager, is implementing controls to ensure future compliance

**Response (NVA):** The majority of the journal entries are of a "clean up" nature and do not cross funds or functions within funds. These have been left to the discretion of the Business Manager in order to expedite State Reporting. In the future, journal entries will be reviewed by the Headmaster on a quarterly basis.

**09-20 CONTROL DEFICIENCY OVER SUPPORTING DOCUMENTATION**

**Schools:**

Horizon Academy West (HAW)  
International School at Mesa Del Sol (ISMDS)

**Condition (HAW):** Supporting documentation could not be provided for 14 journal entries and the disposition of a fixed asset.

**Condition (ISMDS):** Supporting documentation could not be provided for a cash receipt establishing a new bank account.

**Criteria:** All transactions should have supporting documentation.

**Cause:** Lack of procedures and policies in place to keep track of accounting records.

**Effect:** Transactions cannot be supported, this may lead to expenses not allowed for reimbursements or deemed unauthorized being reimbursed

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-20 CONTROL DEFICIENCY OVER SUPPORTING DOCUMENTATION - continued**

**Recommendation:** Implement a procedure to ensure all transactions have appropriate supporting documentation.

**Response (HAW):** The School has contracted professional services to assist the business office as of July 1, 2009. The School, along with the new business manager, is implementing internal controls to ensure all transactions, including journal entries, have appropriate supporting documentation.

**Response (ISMDS):** Management agrees with the finding. The School, along with the business manager, is implementing controls to ensure future compliance.

**09-21 COMPLIANCE DEFICIENCY OVER RECORDING AGENCY CASH**

**Schools:**

Horizon Academy West (HAW)  
North Valley Academy (NVA)

**Schools:**

Horizon Academy West (HAW)  
North Valley Academy (NVA)

**Condition (HAW):** Cash held in trust for specific grade activities was not recorded on the books and not accounted for by grade.

**Condition (NVA):** Cash held in trust for specific teacher activities was not recorded on the books.

**Criteria:** NMAC Title 6, Chapter 20, Part 2.23D states funds set aside for non-instructional activities shall be accounted for the same as any other funding budgeted in the operational sub-fund. Other assets held by the school district in a trustee capacity or as an agent for school organizations are considered agency funds and shall be accounted for in accordance with GAAP. The school district is responsible for the accountability of agency funds.

**Cause:** NMAC regulation was not followed.

**Effect:** Agency funds of \$14,959 were not recorded, requiring an audit adjustment. Agency fund cash may be subject to misappropriations.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-21 COMPLIANCE DEFICIENCY OVER RECORDING AGENCY CASH - continued**

**Recommendation:** Agency funds are highly susceptible to fraud. As part of the recommendation to update the accounting manual above, we recommend a procedure be included to ensure accountability of all agency cash balances.

**Response (HAW):** As of December 1, 2009, the School is accounting for the underlying transactions for the student activity funds by grade level in Apta Fund.

**Response (NAV):** Agency funds have traditionally not been recorded on the state report or on the financial system. NVA will post a monthly entry to capture the transactions on the general ledger.

**09-22 COMPLIANCE FINDING OVER PROCUREMENT PROCEDURES**

**School:**

Horizon Academy West

**Condition (HAW):** Seven purchases qualifying as a small purchase greater than \$5,000 did not provide evidence of three written quotations. Two purchases not qualifying as a small purchase did not provide evidence of competitive sealed proposals.

**Criteria:** NMAC Title 1, Chapter 4, Part 1.51 states insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding five thousand dollars (\$5,000) but not exceeding twenty thousand dollars (\$20,000), no fewer than three businesses shall be solicited to submit written quotations that are recorded and placed in the procurement file. If three written quotes cannot be obtained, the agency shall document the reasons and include the document in the procurement file.

NMAC Title 1, Chapter 4, Part 1.30 states when a state agency procures professional services that are not related to a design and build project delivery system in accordance with Section 13-1-119.1 NMSA 1978, or then the state purchasing agent or a designee makes a determination that the use of competitive sealed bids is either not practicable or not advantageous to the state, a procurement shall be effected by competitive sealed proposals.

**Cause:** Lack of understanding of NMAC regulations and compliance with them.

**Effect:** Non-compliance with NMAC regulations, and possible misappropriation of assets.

**Recommendation:** As part of the recommendation to review and update the accounting manual above, include a procedure to ensure all purchases above certain thresholds follow required regulations.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-22 COMPLIANCE FINDING OVER PROCUREMENT PROCEDURES - continued**

**Response (HAW):** The School has contracted professional business manager services to assist the business office as of July 1, 2009. The School, along with the new business management services, is implementing controls to ensure compliance with the Procurement Code.

**09-23 COMPLIANCE FINDING OVER DISPOSAL OF PROPERTY**

**School:**  
Horizon Academy West

**Condition (HAW):** The State Auditor was not notified when a computer server was disposed of.

**Criteria:** State Auditor Rule 2.2.2.10, Subsection V states at least thirty days prior to any disposition of property on the agency inventory list, written notification of the official finding and proposed disposition must be sent to the State Auditor.

**Cause:** None-compliance with the State Auditor Rule.

**Effect:** Not in compliance with the State Auditor Rule 2.2.2.10 requirements pertaining to the disposition of property. Information stored on missing equipment may compromise the agency.

**Recommendation:** Review and update existing procedures to ensure disposals of property are communicated in writing to the State Auditor.

**Response (HAW):** The School has contracted professional business manager services to assist the business office as of July 1, 2009. The School, along with the new business manager, is implementing internal controls to ensure all transactions are in compliance with the State Audit Rule.

**09-24 COMPLIANCE FINDING OVER STATE CASH REPORT**

**School:**  
International School at Mesa Del Sol

**Condition (ISMDS):** Evidence could not be provided that the year end cash report was submitted to PED.

**Criteria:** NMAC Title 6, Chapter 20, Part 2.14L states the school district shall submit cash reports to the Department by the last working day of the month following the end of the reporting period.



Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-24 COMPLIANCE FINDING OVER STATE CASH REPORT - continued**

**Cause:** Lack or failure of controls surrounding reporting process.

**Effect:** None-compliance with NMAC Title 6, and possible fraud or misappropriation of assets.

**Recommendation:** Implement appropriate changes to existing procedures to ensure cash reports are submitted timely.

**Response (ISMDS):** Management agrees with the finding. The School, along with the business manager, is implementing controls to ensure future compliance.

**09-25 CONTROL DEFICIENCY OVER JOURNAL ENTRY APPROVAL**

**Schools:**

Media Arts Collaborative Charter School (MACCS)

North Valley Academy (NVA)

**Condition (MACCS):** All adjusting journal entries tested were not reviewed or approved.

**Condition (NVA):** All journal entries tested were not approved by someone other than the preparer.

**Criteria:** Per Manual of Modern Accounting Practices (MAPs), FIN 13, all journal entries should be reviewed and approved by an authorized person.

**Cause:** Lack or failure of internal controls over journal entries review process.

**Effect:** Possible misstatement of the financial statements.

**Recommendation:** Implement procedure to ensure all adjusting journal entries are reviewed and approved by someone other than the preparer.

**Response (MACCS):** The school will implement a procedure that will have the board member who reviews the bank statement also review and approve the journal entries.

**Response (NVA):** Management agrees with the finding. The School, along with the business manager, is implementing controls to ensure proper controls are in place for the future.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**09-26 CONTROL DEFICIENCY OVER EXPENSE REPORT REIMBURSEMENTS**

**School:**

The New America School

**Condition (NAS):** Management was unable to provide documentation to support reimbursement amount.

**Criteria:** Per Manual on Modern Accounting Practices, FIN 4, all commitments to purchase goods or services must be supported by proper documentation.

**Cause:** Lack or failure of internal controls over expense reimbursement process.

**Effect:** In violation of Manual on Modern Accounting Practices, FIN4. Transactions cannot be supported, this may lead to expenses not allowed for reimbursements or deemed unauthorized being reimbursed

**Recommendation:** Implement existing procedure to ensure all expense reports are approved and have supporting documentation.

**Response (NAS):** New America School has been provided a Travel Reimbursement Form by our business manager which complies with the Per Diem and Mileage Act. Our business manager has already instructed our office manager on the new use of the new form for any future travel and reimbursement requested made by our staff and board members.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**PRIOR YEAR FINDINGS**

**08-1 CONTROL DEFICIENCY OVER AGENCY-SPECIFIC INFORMATION  
SECURITY POLICY - PED**

**Condition:** During the Information Technology assessment, MCO noted that PED does not have an agency-specific information security policy.

**Criteria:** Per New Mexico Statewide Policy S-STD010.001, "Backups Standard", all agencies shall establish and document personnel security policies, as well as related procedures that show clear accountability for security administration.

**Cause:** Lack of written standards related to protection of sensitive information.

**Effect:** May result in misuse of sensitive and confidential information

**Recommendation:** We recommend that management develops an agency-specific information security policy in addition to using DoIT's policy as a guideline.

**Management's Response:** Management concurs with this finding. Management had hoped to have a written agency policy in place by the end of the FY 2009; however, the policy was not completed. A policy will be issued during the FY 2010 that will resolve this issue.

**08-2 CONTROL DEFICIENCY OVER FIXED ASSETS INVENTORY – PED**

**Condition:** Information Technology assets were not reflected in the annual physical inventory count.

**Criteria:** Per NMSA 2.20.1.16, Annual Inventory, and Manual of Model Accounting Practices' (MAPs) FIN 6, Asset Management, all state agencies must conduct an annual physical inventory of movable chattels and equipment on the inventory list.

**Cause:** Lack or failure of internal controls surrounding fixed assets tracking process.

**Effect:** The Department is not in compliance with NMSA 2.20.1.16 and MAPs FIN 6. Lack of physical inventory count of Information Technology fixed assets may lead to material misstatements or asset misappropriation.

**Recommendation:** We recommend that management follow the established NMSA and MAPs rules pertaining to accounting for capital assets.

**Management's Response:** Management concurs with this finding. Management had hoped to have a certified IT inventory for FYE 6/30/09. This issue should be resolved for the FYE 6/30/10 audit.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**08-4 CONTROL DEFICIENCY OVER REVIEW AND APPROVAL OF TRAVEL EXPENDITURES – PED**

**Condition:** During per diem testwork it was noted that one travel reimbursement was submitted and approved by the same person. The travel expenditure amounted to \$340.33.

**Criteria:** Per Manual of Model Accounting Practices' (MAPs), FIN 5 requires that a state agency must have internal controls in place surrounding cash disbursements. All vouchers must be certified as true and correct by the officer or employee designated to make payments, and who is someone other than the individual submitting for the request for expense reimbursement..

**Cause:** Lack of proper segregation of duties and understanding of MAP FIN 5.

**Effect:** Submission and approval of reimbursement vouchers by the same person can lead to illegitimate claims being disbursed.

**Recommendation:** We recommend that proper internal control over segregation of duties be implemented.

**Management's Response:** Management concurs with the finding and has implemented a process to cure the finding. Effective immediately, vouchers submitted for payment to the ASD Financial Services Bureau that have been submitted and approved by the same person will be forwarded to the PED CFO. The CFO will ensure that these vouchers are appropriately processed with adequate approval.

**08-8 MATERIAL WEAKNESS OVER GRANTS BILLING AND REIMBURSEMENT TRACKING – PED**

**Condition:** During our test work on financial and A-133 attributes associated with the grants billing and reimbursement, we noted that no procedures are in place to accurately track cash forecasts associated with accounts payable, accounts receivable and grant carryovers. The Department did not implement a system to record billing until the fourth quarter of the fiscal year. In prior years cash balances for fund SHARE 67300 are accurate at the balance sheet date, but cash to be received or paid out cannot be forecasted. The process in the grant area is missing the monitoring component, and data produced in the grants bureau is not made available to the financial bureau.

**Criteria:** In order to forecast cash, events associated with the inflows and outflows of cash should be predictable and an understanding of the cash cycle associated with federal drawdown should be completely understood.

Schedule of Findings and Questioned Costs - continued

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**08-8 MATERIAL WEAKNESS OVER GRANTS BILLING AND REIMBURSEMENT TRACKING – PED - continued**

**Cause:** No formal process was in place to monitor the cash balance forecast in the grants bureau until the fourth quarter of the fiscal year.

**Effect:** PED had no lead time to be made aware of a cash shortage.

**Recommendation:** New processes and procedure implemented in the fourth quarter of the fiscal year should be kept and improved on in the future in order to be able to accurately forecast cash balances.

**Management's Response:** Management concurs with this finding. Management implemented numerous changes that we believe will suffice to eliminate this finding completely for the FY 2010 audit. Specifically, draw requests for federal reimbursements are now executed on a daily basis; in addition, a detail general ledger is run and analyzed daily. This analysis includes monitoring and forecasting cash balances within each fund.

**06-3 CONTROL DEFICIENCY OVER INFORMATION SYSTEMS - PED - Disaster Recovery Plan**

**Condition:** The disaster recovery plan has been drafted; however the Department has not yet created a formal disaster recovery plan.

**Criteria:** the Department should have a formal disaster recovery plan that is tested annually.

**Cause:** Management does not consider implementing disaster recovery plan a priority.

**Effect:** Possible loss of financial information as well as fiduciary breach and risk of corruption.

**Recommendation:** We recommend that management implements, tests and finalizes a disaster recovery plan.

**Management's Response:** Management concurs with this finding

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**07-21 CONTROL DEFICIENCY OVER OVER-EXPENDED APPROPRIATION UNITS – PED / DVR**

**Condition:** The Department over-expended the appropriation unit on the following funds:

<u>Fund</u>	<u>Category</u>	<u>Final Budget Expenditure Variance</u>
05700	Personal Services	\$ 962
05700	Other Uses	2,880
79000	Other Uses	13,769,949
63400	Other Costs	21,828,397
58600	Other Operating Costs	34,183
50000	Contractual Services	934,655
20160	Other Operating Costs	<u>2,049,449</u>
	Total	\$ <u>38,620,475</u>

**Criteria:** The Department’s financial system should detect over-expenditures before they occur.

**Cause:** Non-budgeted expenditures being applied against the final budget and not submitting Budget Adjustment Requests on time.

**Effect:** The appropriation units described above were over-expended.

**Recommendation:** The Department must track all expenditures and submit Budget Adjustment Requests to ensure compliance with the final budget.

**Management’s Response:** The Department was aware of the over-expended amounts in the Operating Costs line item. The overage is due to the fact that the time had lapsed for submission of Budget Adjustment Request Forms.

Schedule of Findings and Questioned Costs - continued

---

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

01-8 COMPLIANCE FINDING OVER (FEDERAL) RECONCILIATION TO THE U.S. DEPARTMENT OF EDUCATION "G-5" SYSTEM, ALL U.S. DEPARTMENT OF EDUCATION 84.XXX - PED - Updated

**Federal Programs:**

Title I – U.S. Department of Education, CFDA 84.010  
IDEA B Cluster – U.S. Department of Education, CFDA 84.027/84.173  
Title II Part D – U.S. Department of Education, CFDA 84.318  
Charter Schools – U.S. Department of Education, CFDA 84.282  
Title III – U.S. Department of Education, CFDA 84.365  
Title II Part A – U.S. Department of Education, CFDA 84.367  
After School Learning – U.S. Department of Education, CFDA 84.287  
Reading First – U.S. Department of Education, CFDA 84.357  
State Assessment – U.S. Department of Education, CFDA 84.369  
Carl Perkins Cluster – U.S. Department of Education, CFDA 84.048/84.002

**Condition:** In the prior year, it was noted that a formal reconciliation of grant balances to the amount reported by the U.S. Department of Education electronic reporting system (G-5) was not being done on a quarterly basis. Management began formally reconciling to the G-5 system during 2005. Tremendous progress has been noted during the audit. However, we noted that there still are unlocated differences between draws and expenditures that PED has not resolved.

**Criteria:** The U.S. Department of Education requires grantees to reconcile their records of remaining grant balances to the G-5 system as part of control over cash management on a quarterly basis.

**Questioned Costs:** None.

**Cause:** The U.S. Department of Education grants usually remain open for 27 months after the beginning of the grant year. Since PED was not properly reconciling expenditures and receipts prior to fiscal year 2005, PED is still receiving receipts for prior period expenditures that were not recorded as revenue in the period incurred.

**Effect:** PED is recognizing prior year revenues in the current period. There is an unresolved variance in Fund 84400 – Federal Administration Fund, resulting in a deficit fund balance of \$1,052,000.

**Recommendation:** PED should continue reconciling ending grant balances by program, by grant year, on a quarterly basis to the remaining grant balances from the GAPS system. Unreconciled differences should be identified and resolved.

Schedule of Findings and Questioned Costs - continued

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT - continued

01-8 COMPLIANCE FINDING OVER (FEDERAL) RECONCILIATION TO THE U.S. DEPARTMENT OF EDUCATION "G-5" SYSTEM, ALL U.S. DEPARTMENT OF EDUCATION 84.XXX - PED – Updated - continued

**Management's Response:** As demonstrated by activities of the 4th quarter of FYE 6/30/09, great strides have been made toward the resolution of this finding, due primarily to implementation of new policies and procedures with regard to the draw and tracking of USDE funds. We anticipate that this finding will be completely eliminated in the FYE 6/30/10 audit.

03-12 SIGNIFICANT DEFICIENCY OVER SUBRECIPIENT MONITORING AND REIMBURSEMENT POLICIES AND PROCEDURES - PED

**Federal Programs:**

Charter Schools – U.S. Department of Education, CFDA 84.282A

**Condition:** In our test work of subrecipient monitoring, we noted the following:

84.282A – Charter Schools – There were no site visits or desk reviews performed.

**Criteria:** According to OMB Circular A-133 and A-102 Common Rule, a pass-through entity is required to monitor the subrecipient's use of Federal funds through site visits to assure that the subrecipient administers the Federal awards in compliance with laws, regulations and the provisions of the grant agreement, and that performance goals are achieved.

**Questioned Costs:** None.

**Cause:** There are no procedures in place that require either fiscal or program personnel to review support for program expenditures.

**Effect:** Schools could be spending funds on non-allowable costs. In addition, subrecipients may not be correcting findings noted in the audit reports.

**Recommendation:** Schools should be required to send documentation supporting program expenditures. Fiscal or program personnel should review to ensure that the schools are spending the funds as budgeted. Audit reports should also be reviewed to ensure any problems with Federal programs are known and can then be addressed from PED's perspective. PED should then require corrective action plans from those schools in which there are program findings.



Schedule of Findings and Questioned Costs - continued

---

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT - continued

3-12 SIGNIFICANT DEFICIENCY OVER SUBRECIPIENT MONITORING AND REIMBURSEMENT POLICIES AND PROCEDURES – PED - continued

**Management's Response:** Management continues to work toward the resolution of this finding with the Charter School Program. We hope to have the finding resolved for the FYE 6/30/10 audit.

Charter Programs - Expenditures of federal Public Charter School Program grant funds by awarded Charter Schools are subject to review at three points within the grant application and management process. (1) Proposed budgets submitted with the grant applications are reviewed for allowable expenditures. Proposed expenditures that are not allowable under federal and state requirements are deducted from the approved budget. (2) Grantees submit copies of itemized invoices and/or purchase orders with claims for payment. Items that are not allowable or which do not appear on the approved budget for the grant are not approved for payment. (3) All grantees are required to submit quarterly expenditure reports to NM PED Fiscal Division. These reports serve as an additional verification that expenses were allowable and approved. Further grant payments are not approved if these reports are not up-to-date. This more stringent system of approvals for Public Charter School Program grantees was instituted due to errors in past grant management practices, as well as the fact that new Charter School operators may not be familiar with the requirements and responsibilities of direct federal grant recipients. This method serves to ensure that federal funds are used appropriately, as well as to train new charter school operators in their responsibilities as direct federal grantees. It is our intention to transition grantees to a reimbursement basis requiring only summary expenditure information as described in the prior response, once a record of appropriate expenditures is established for the individual grantee.

Schedule of Findings and Questioned Costs - continued

---

**C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT - continued**

**06-12 SIGNIFICANT DEFICIENCY OVER PERIODIC PAYROLL CERTIFICATIONS - ALLOWABLE COSTS**

**Federal Programs:**

Title I – U.S. Department of Education, CFDA 84.010  
IDEA B Cluster – U.S. Department of Education, CFDA 84.027/84.173  
Title II Part D – U.S. Department of Education, CFDA 84.318  
Charter Schools – U.S. Department of Education, CFDA 84.282  
Title III – U.S. Department of Education, CFDA 84.365  
Title II Part A – U.S. Department of Education, CFDA 84.367  
After School Learning – U.S. Department of Education, CFDA 84.287  
Reading First – U.S. Department of Education, CFDA 84.357  
State Assessment – U.S. Department of Education, CFDA 84.369  
Carl Perkins Cluster – U.S. Department of Education, CFDA 84.048/84.002  
School Lunch Program Cluster – U.S. Department of Agriculture, CFDA 10.555/10.553/10.560

**Condition:**

1. In our sample of payroll disbursements, we noted that employees whose time is charged solely to federal grants (Fund 84400) did not have an accompanying periodic certification to support charges for their salaries and wages.
2. Our sample of payroll disbursements also included employees whose time was charged to more than one grant or to federal and non-federal activities. We noted that there is no documentation supporting the allocation of charges to federal grants in accordance with OMB Circular A-87 Attach B, Para 8.h(4).

**Criteria:**

1. Pursuant to OMB Circular A-87 Attach B, Para 8.h(3): Support of salaries and wages: “Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employer or supervisory official having first-hand knowledge of the work performed by the employee.”
2. This requirement applies to employees that have work assignments on:
  - a) More than one Federal award,
  - b) a Federal award and a non-Federal award,
  - c) an indirect cost activity and a direct cost activity,
  - d) two or more indirect activities which are allocated using different allocation bases, or
  - e) an unallowable activity and a direct or indirect cost activity.

Schedule of Findings and Questioned Costs - continued

---

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT - continued

06-12 SIGNIFICANT DEFICIENCY OVER PERIODIC PAYROLL CERTIFICATIONS –  
ALLOWABLE COSTS - continued

**Criteria - continued:**

Pursuant to OMB Circular A-87 Attach B, Para 8.h(5), personnel activity reports or equivalent documentation must meet the following standards (in part):

- a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- b) they must account for the total activity for which each employee is compensated,
- c) they must be prepared at least monthly and must coincide with one or more pay periods, and
- d) they must be signed by the employee.

**Questioned Costs:** Unknown.

**Cause:**

1. It appears that a formal process for certifying time and effort for employees does not exist. In addition, due to a lack of approved certifications by supervisory staff, there does not appear to be adequate review of time and effort on Federal awards.
2. Time sheets are not signed by employees or retained. In addition, it does not appear they are prepared with a break-out of the distribution of salaries and wages across activities or cost objectives. While personnel action forms show the initial distribution, there does not appear to be a system in place to account for an “after-the-fact” distribution. We further noted that there do not appear to be any substitute systems for allocating salaries per the guidelines established in OMB Circular A-87.

**Effect:** The result is non-compliance with federal requirements for documentation of Employee Time and Effort.

**Recommendation:**

1. We recommend that a careful review be made of time record retention requirements and that a department-wide policy for time record retention be adopted that maintains records for specified periods and provides for their destruction only after the specified period.
2. We recommend that the Department implement the use of “after-the-fact” reporting of the distribution of salaries and wages across activities or cost objectives.

**Management’s Response:** Policies and procedures for payroll certifications and allocations of costs have been revised and implemented. Our Human Resources (HR) Bureau is now requiring employees with single and multiple cost objectives to submit their documentation directly to the HR Bureau. Our HR Bureau is monitoring the submissions to ensure that required reports are submitted. Late or non-submissions are reported to the affected employees’ supervisors.

Schedule of Findings and Questioned Costs - continued

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT – continued

08-7 COMPLIANCE FINDING OVER SUB-RECIPIENT DOCUMENTATION – PED

**Federal Program:**

Charter Schools – 84.282

**Condition:** During A-133 single audit testwork, we noted that management was unable to provide required expense backup documentation from the sub-recipient.

**Criteria:** Per OMB Circular A-133, *Allowed Activity/Allowed Cost*, the amount requested for reimbursement should have supporting documentation showing the itemized expense amount posted to the general ledger or an invoice showing payment for the amount requested for reimbursement.

**Cause:** Lack or failure of internal controls surrounding review of requests for reimbursement process.

**Effect:** The department is in violation of federal requirements and may reimburse subrecipients for expenditures not actually incurred or unallowed costs.

**Recommendation:** We recommend that management implements a process that would ensure that all requests for reimbursements get reviewed and supporting documentation is maintained.

**Management's Response:** Management concurs with this finding and is currently updating its internal control procedures to ensure that documentation submitted by sub-recipients is maintained and retrievable.

08-8 MATERIAL WEAKNESS OVER GRANTS BILLING AND REIMBURSEMENT TRACKING – PED

**All Federal Programs**

**Condition:** During our testwork on financial and A-133 attributes associated with the grants billing and reimbursement, we noted that no procedures are in place to accurately track cash forecasts associated with accounts payable, accounts receivable and grant carryovers. The cash balances for fund SHARE 67300 are accurate at the balance sheet date, but cash to be received or paid out cannot be forecasted. The process in the grant area is missing the monitoring component, and data produced in the grant department is not made available to the financial department.

Schedule of Findings and Questioned Costs - continued

---

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT – continued

08-8 MATERIAL WEAKNESS OVER GRANTS BILLING AND REIMBURSEMENT  
TRACKING – PED - continued

**Criteria:** In order to forecast cash, events associated with the inflows and outflows of cash should be predictable and an understanding of the cash cycle associated with federal drawdown should be completely understood.

**Cause:** No formal process is in place to monitor the cash balance forecast in the grants department.

**Effect:** PED has no lead time to be made aware of a cash shortage.

**Recommendation:** New processes and procedure should be implemented to be able to accurately forecast cash balances.

**Management's Response:** The PED is in the process of reviewing internal control policies and procedures, reconciliation processes and procedures, and overall work flow as it pertains to federal funding and the associated tracking and accounting. This includes the establishment of cash control procedures. The review and implementation of policies and procedures should be completed by the end of the current fiscal year.

09-4 COMPLIANCE FINDING OVER FEDERAL PROGRAM ADMINISTRATION –  
UNALLOWABLE COSTS - PED

All Federal Programs

**Condition:** During per diem testwork it was noted on one travel reimbursement that an employee was reimbursed for alcoholic beverage for a total of \$3.50. The cost was charged to all Federal programs Administration fund, and therefore was applied to all federal grants.

**Criteria:** Per OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, alcoholic beverages are un-allowable costs

**Cause:** Lack of internal controls associated with an adequate review process of per diem reimbursements.

**Effect:** The Department is in violation of the federal grant and OMB Circular A-87

**Recommendation:** We recommend that management establish effective controls necessary to ensure that only allowable costs as outlined in OMB Circular A-87 are charged to federal grants.

Schedule of Findings and Questioned Costs - continued

---

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT - continued

09-4 COMPLIANCE FINDING OVER FEDERAL PROGRAM ADMINISTRATION –  
UNALLOWABLE COSTS – PED - continued

**Management's Response:** Management concurs with this finding and will take the following steps to ensure that the finding is not repeated:

1. The administrative staff person that processes travel reimbursements will be provided with additional training to reinforce the need to carefully scrutinize each receipt for allowable expenditure for reimbursement.
2. The Bureau chief will personally review each receipt submitted for reimbursement as the final check before processing.

09-7 COMPLIANCE FINDING OVER REPORT REVIEW – PED

**Federal Programs:**

Carl Perkins Cluster – U.S. Department of Education, CFDA 84.048/84.002

**Condition:** During the A-133 testwork, it was noted that annual Financial Status report (SF-272) for federal grant 84.048 was not based on the actual financial data supported by Department's general ledger.

**Criteria:** Financial reports should be based on the actual financial information.

**Cause:** Lack or failure of internal controls preparing and reviewing the required reports.

**Effect:** Reports may have had variances that could not be reconciled or explained, was not based on actual financial information, and therefore was unreliable.

**Recommendation:** We recommend that management implements a system which would ensure that federal reports are based on the actual financial information, as well as the process of reviewing reports prior to submission.

**Management's Response:** Management concurs with the finding. Per the auditors' recommendation, policies and procedures will be established to ensure that the report is properly supported and that it agrees to the general ledger

Schedule of Findings and Questioned Costs - continued

---

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT – continued

09-10 COMPLIANCE FINDING OVER SUBMISSION OF REPORTS – DVR

**Federal Program:**

Vocational Rehabilitation – 84.126

**Condition:** During the A-133 testwork, it was noted that all quarterly Financial Status report (SF-269) for the federal Vocational Rehabilitation grant, number 84.126, as well as annual Program Cash report (RSA-2) for the same grant, missed the reporting submission deadlines. These five exceptions totaled \$41,084,941.

**Criteria:** Per OMB Circular A-133, *Compliance Requirements Reporting - Financial Reporting*, the Department is required to maintain reports specified by the Federal agency.

**Cause:** Failure or lack of internal controls over reporting requirements established by Federal agency for those receiving federal funds.

**Effect:** DVR is in violation of federal requirements, which creates a threat to program's existence.

**Recommendation:** We recommend that management establish effective controls necessary to ensure the timely completion and submission of the required reports to avoid suspension/termination of the program.

**Management's Response:** The beginning of fiscal year 2007 brought forth the conversion of a new state wide accounting system entitled SHARE. Familiarity to the new accounting system, along with numerous SHARE reports required for supporting documentation of federal reports, has contributed to the delay. The numerous required SHARE generated reports has resulted in an increase of job duty functions within the Fiscal unit. As a result, DVR Fiscal unit has been re-organized to adequately align job duties, resulting in the creation of a Budget and Grants unit. The creation of the new unit and transitioning of job assignments from the General Ledger/Accounts Payable Manager has caused delay due to additional requirements related to train new staff, as well other SHARE issues, resulting in competing priorities. Through the re-organization to the new Budget and Grants unit, DVR plans to achieve updated Federal Reports by the Quarter 4 of 2010.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Summary Schedule of Prior Year Audit Findings**

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

- 03-2 Reliable Accounting Systems - PED – Resolved
- 03-3 Correcting Entries - PED (Material Weakness) – Resolved
- 04-1 Information Systems - Servers Not Supported by Vendor – Resolved
- 06-3 Information Systems - PED - Disaster Recovery Plan – Repeated
- 06-6 Basis of Accounting - DVR – Resolved
- 07-2 Timesheet Authorization - PED – Resolved
- 07-10 Overpayment to Districts - PED – Resolved
- 07-11 Invoice Overpayment - PED – Resolved
- 07-15 SHARE Number Limitation - PED – Resolved
- 07-16 SHARE Grants Module - PED/DVR – Resolved
- 07-21 Over-Expended Appropriation Units - PED/DVR – Repeated and Updated
- 08-1 Agency-Specific Information Security Policy - PED – Updated
- 08-2 Fixed Assets Inventory - PED – Updated
- 08-3 Certification of Expense Vouchers - PED – Resolved
- 08-4 Review and Approval of Expense Vouchers - PED – Repeated
- 08-5 Unreconciled Payment Voucher Package - PED – Resolved
- 08-6 Payment Voucher Package Lacking Support Documentation - PED – Resolved
- 08-7 Lack of Sub-Recipient Documentation - PED – Repeated and Updated
- 08-8 Grants Billing and Reimbursement Tracking - PED (Material Weakness) – Repeated
- 08-9 Lack of Sub-Recipient Documentation and Approval - PED – Resolved
- 08-10 Lack of Authorization for Voucher Packages - PED – Resolved



**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Summary Schedule of Prior Year Audit Findings - continued**

---

**C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS**

- 01-8 (Federal) Reconciliation to the U.S. Department of Education "G-5" System, All U.S. Department of Education 84.xxx (Material Weakness) - PED – Updated
- 03-12 Subrecipient Monitoring and Reimbursement Policies and Procedures – PED – Repeated
- 06-12 Periodic Payroll Certifications - Allowable Costs – Repeated
- 08-8 Grants Billing and Reimbursement Tracking – PED (Material Weakness) – Repeated

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Exit Conference**

---

An exit conference was held with the Department and the Charter Schools on December 4, 2009, at the Department's Mabry Hall. In attendance were:

**PUBLIC EDUCATION DEPARTMENT**

Don D. Moya	Deputy Secretary (in abstencia of Veronica Garcia, Ed.D.)
Karen Hubbard	Financial Coordinator
Gilbert Kometa	Financial Coordinator
Bih Miranda Akuma	Financial Coordinator
Kelley Koehler	Financial Coordinator
Austin Buff	ASD Director
Ricky A. Bejarano	Audit Accounting Bureau Chief

**DIVISION OF VOCATIONAL REHABILITATION**

Sherry Garcia	ASD Director
Sandra Alva	General Ledger & Accounts Payable Manger
Jessica Lucero	Chief Financial Officer

**MEYNER'S + COMPANY, LLC**

Georgie Ortiz, CPA, CGFM	Assurance Principal
Javier Machuca, CPA, CGFM	Assurance Senior Manager
John Murrel, CPA	Assurance Senior Manager
Alan Demir	Senior Accountant
Tasha Bochkova	Staff Accountant

**NEW MEXICO COALITION FOR CHARTER SCHOOLS**

Deanna Gomez	Business Manager - designee
--------------	-----------------------------

**STATE-CHARTERED SCHOOLS:**

**CIEN AGUAS INTERNATIONAL SCHOOL**

Patrick Kelly	Business Manager - designee
---------------	-----------------------------

**COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

Michael Vigil	Business Manager – designee
Janet DeVesty	Office Manager

**HORIZON WEST ACADEMY**

Mary Creech	Governing Council President
Amie Duran	Director
JJ. Griego	Business Manager

**THE INTERNATIONAL SCHOOL AT MESA DEL SOL**

Michael Vigil	Business Manager - designee
---------------	-----------------------------

**MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

Patrick Kelly	Business Manager - designee
---------------	-----------------------------

**THE NEW AMERICA SCHOOL**

Janelle Taylor Garcia	Director – designee
Lorella Gurule-Lovato	Office Manager

**NORTH VALLEY ACADEMY**

Jerald E. Snyder	Principal
Stephanie Belmore	Board Chair

**THE SCHOOL OF DREAMS ACADEMY**

Michael Ogas	Founder - designee
Geri Bennett	Business Manager

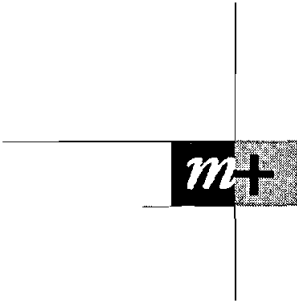
**TAOS ACADEMY**

Tracy Filiss	Director - designee
Michael Vigil	Business Manager

**PREPARATION OF FINANCIAL STATEMENTS**

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditors' Report.

**STATE OF NEW MEXICO  
PUBLIC EDUCATION  
DEPARTMENT  
Financial Statements for the  
Year Ended June 30, 2009,  
and Independent  
Auditors' Report  
Volume II of II**



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Table of Contents – Volume II

**New Mexico State-Chartered Schools Supplementary Information**

**Notes and Findings** ..... **II-1**

**Combining Financial Statements:**

Combining Statement of Net Assets – Charter Schools ..... II-4 – II-5  
Combining Statement of Activities – Charter Schools ..... II-6  
Combining Balance Sheet of Governmental Funds – Charter Schools ..... II-7 – II-8  
Reconciliation of the Combining Balance Sheet of  
Governmental Funds – Charter Schools to the  
Combining Statement of Net Assets – Charter Schools ..... II-9 – II-10  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances – Charter Schools ..... II-11 – II-12  
Reconciliation of the Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances –  
Charter Schools to the Combining Statement of  
Activities – Charter Schools ..... II-13 – II-14

**New Mexico State Chartered Schools Financial Statements:**

**Cien Aguas International School:**

Statement of Net Assets ..... II-16  
Statement of Activities ..... II-17  
Balance Sheet – Governmental Funds ..... II-18  
Reconciliation of the Balance Sheet to the Statement of  
Net Assets – Governmental Funds ..... II-19  
Statement of Revenues, Expenditures and Changes  
in Fund Balances – Governmental Funds ..... II-20  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances – Governmental Funds  
to the Statement of Activities – Governmental Funds ..... II-21  
Statements of Revenues, Expenditures and Changes in  
Fund Balance – Budget (Budgetary Basis) and Actual ..... II-22 – II-26  
Schedule of Cash and Temporary Investment Accounts ..... II-27  
Cash Reconciliation ..... II-28

**Cottonwood Classical Preparatory School:**

Statement of Net Assets ..... II-30  
Statement of Activities ..... II-31

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Table of Contents – Volume II - continued**

---

**Charter Schools Financial Statements - continued:**

**Cottonwood Classical Preparatory School - continued:**

Balance Sheet – Governmental Funds.....	II-32 – II-33
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-34
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-35 – II-36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-37
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-38 – II-46
Schedule of Cash and Temporary Investment Accounts.....	II-47
Cash Reconciliation .....	II-48 – II-49

**Horizon Academy West:**

Statement of Net Assets.....	II-51
Statement of Activities .....	II-52
Balance Sheet – Governmental Funds.....	II-53 – II-54
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-55
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-56 – II-57
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-58
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-59 – II-69
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	II-70
Schedule of Cash and Temporary Investment Accounts.....	II-71
Cash Reconciliation .....	II-72 – II-73
Combining Statement of Assets and Liabilities – Agency Funds .....	II-74 – II-75
Schedule of Changes in Assets and Liabilities – Agency Funds .....	II-76 – II-77

**The International School at Mesa Del Sol:**

Statement of Net Assets.....	II-79
Statement of Activities .....	II-80
Balance Sheet – Governmental Funds.....	II-81
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-82

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Table of Contents – Volume II - continued

---

**Charter Schools Financial Statements - continued:**

**The International School at Mesa Del Sol - continued:**

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-83
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-84
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-85 – II-89
Schedule of Cash and Temporary Investment Accounts.....	II-90
Cash Reconciliation .....	II-91

**Media Arts Collaborative Charter School:**

Statement of Net Assets.....	II-93
Statement of Activities .....	II-94
Balance Sheet – Governmental Funds.....	II-95 – II-96
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-97
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-98 – II-99
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-100
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-101 – II-107
Schedule of Cash and Temporary Investment Accounts.....	II-108
Cash Reconciliation .....	II-109

**The New America School:**

Statement of Net Assets.....	II-111
Statement of Activities .....	II-112
Balance Sheet – Governmental Funds.....	II-113
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-114
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-115
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-116

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Table of Contents – Volume II - continued**

---

**Charter Schools Financial Statements - continued:**

**The New America School - continued:**

Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-117 – II-120
Schedule of Cash and Temporary Investment Accounts.....	II-121
Cash Reconciliation .....	II-122

**North Valley Academy:**

Statement of Net Assets.....	II-124
Statement of Activities .....	II-125
Balance Sheet – Governmental Funds.....	II-126 – II-128
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-129
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-130 – II-132
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-133
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-134 – II-146
Statement of Fiduciary Assets and Liabilities – Activity Funds.....	II-147
Schedule of Cash and Temporary Investment Accounts.....	II-148
Cash Reconciliation .....	II-149 – II-150
Combining Statement of Assets and Liabilities – Activity Funds .....	II-151
Schedule of Changes in Assets and Liabilities – Activity Funds.....	II-152

**School of Dreams Academy:**

Statement of Net Assets.....	II-154
Statement of Activities .....	II-155
Balance Sheet – Governmental Funds.....	II-156
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-157
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-158
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-159
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-1605 – II-162
Schedule of Cash and Temporary Investment Accounts.....	II-163
Cash Reconciliation .....	II-164



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

**Table of Contents – Volume II - continued**

---

**Charter Schools Financial Statements - continued:**

**Taos Academy:**

Statement of Net Assets.....	II-166
Statement of Activities .....	II-167
Balance Sheet – Governmental Funds.....	II-168
Reconciliation of the Balance Sheet to the Statement of Net Assets – Governmental Funds .....	II-169
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	II-170
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities – Governmental Funds.....	II-171
Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Budgetary Basis) and Actual .....	II-172 – II-175
Schedule of Cash and Temporary Investment Accounts.....	II-176
Cash Reconciliation .....	II-177

**NEW MEXICO STATE-CHARTERED SCHOOLS  
SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT**

**Notes and Findings**

---

For Charter Schools' Notes to the Financial Statements, see Volume I, pages I-82 through I-101.

For Charter Schools' Schedule of Findings and Questioned Costs, refer to Volume I, pages I-188 through I-200.

**COMBINING FINANCIAL STATEMENTS**

AS OF JUNE 30, 2009

	Cien Aguas International School	Cottonwood Classical Preparatory School	Horizon Academy West
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 117,942	144,645	529,772
Receivables (net of allowance for uncollectibles)	-	-	-
Due from other governments	246,734	371,506	79,835
Prepaid expenses	<u>36,363</u>	<u>1,594</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	401,039	517,745	609,607
<b>NON-CURRENT ASSETS:</b>			
Capital assets:			
Furniture, fixtures and equipment	22,298	-	28,084
Less: accumulated depreciation	<u>(271)</u>	<u>-</u>	<u>(20,450)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>22,027</u>	<u>-</u>	<u>7,634</u>
<b>TOTAL ASSETS</b>	\$ <u>423,066</u>	<u>517,745</u>	<u>617,241</u>
<b>LIABILITIES AND NET ASSETS:</b>			
<b>CURRENT LIABILITIES:</b>			
Cash overdraft	\$ -	-	-
Accounts payable	38,493	1,168	35,283
Accrued payroll	-	150,631	286,650
Compensated absences	<u>-</u>	<u>-</u>	<u>133,821</u>
<b>TOTAL CURRENT LIABILITIES</b>	38,493	151,799	455,754
<b>NET ASSETS:</b>			
Invested in capital assets	22,027	-	7,634
Restricted for prepaid expenses	36,363	1,594	-
Restricted for special revenue funds	330,322	386,971	30,163
Unrestricted	<u>(4,139)</u>	<u>(22,619)</u>	<u>123,690</u>
<b>TOTAL NET ASSETS</b>	<u>384,573</u>	<u>365,946</u>	<u>161,487</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u>423,066</u>	<u>517,745</u>	<u>617,241</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

**Combining Statement of Net Assets - Charter Schools**

International School at Mesa Del Sol	Media Arts Collaborative Charter School	The New America School	North Valley Academy	School of Dreams Academy	Taos Academy	Total
11,918	115,321	449,988	119,938	256,634	10,213	1,756,371
-	-	-	-	-	-	-
571,844	245,032	279,119	58,722	235,381	369,652	2,457,825
<u>-</u>	<u>32,057</u>	<u>-</u>	<u>44,963</u>	<u>13,983</u>	<u>-</u>	<u>128,960</u>
583,762	392,410	729,107	223,623	505,998	379,865	4,343,156
-	8,161	68,000	91,474	22,884	12,344	253,245
<u>-</u>	<u>(144)</u>	<u>(1,889)</u>	<u>(49,077)</u>	<u>(1,959)</u>	<u>(600)</u>	<u>(74,390)</u>
<u>-</u>	<u>8,017</u>	<u>66,111</u>	<u>42,397</u>	<u>20,925</u>	<u>11,744</u>	<u>178,855</u>
<u>583,762</u>	<u>400,427</u>	<u>795,218</u>	<u>266,020</u>	<u>526,923</u>	<u>391,609</u>	<u>4,522,011</u>
-	-	-	24,713	-	-	24,713
37,944	21,445	325,584	84,373	269,929	398,040	1,212,259
-	21,717	-	272,576	-	-	731,574
<u>-</u>	<u>-</u>	<u>-</u>	<u>95,602</u>	<u>-</u>	<u>-</u>	<u>229,423</u>
37,944	43,162	325,584	477,264	269,929	398,040	2,197,969
-	8,017	66,111	42,397	20,925	11,744	178,855
-	32,057	-	44,963	13,983	-	128,960
545,649	156,988	402,718	(135,531)	222,086	(18,249)	1,921,117
<u>169</u>	<u>160,203</u>	<u>805</u>	<u>(163,073)</u>	<u>-</u>	<u>74</u>	<u>95,110</u>
<u>545,818</u>	<u>357,265</u>	<u>469,634</u>	<u>(211,244)</u>	<u>256,994</u>	<u>(6,431)</u>	<u>2,324,042</u>
<u>583,762</u>	<u>400,427</u>	<u>795,218</u>	<u>266,020</u>	<u>526,923</u>	<u>391,609</u>	<u>4,522,011</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Statement of Activities - Charter Schools

YEAR ENDED JUNE 30, 2009

GOVERNMENTAL ACTIVITIES:	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
Cien Aguas	\$ 411,718	-	-	-	(411,718)
Cottonwood Classical	1,953,316	34,510	1,277,501	87,967	(553,338)
Horizon Academy West	3,541,572	59,707	2,810,625	313,026	(358,214)
International School at Mesa Del Sol	294,105	-	-	-	(294,105)
Media Arts Collaborative Charter	1,658,995	18,613	1,130,854	85,633	(423,895)
The New America School	259,667	-	-	-	(259,667)
North Valley Academy	3,158,271	53,887	2,509,308	272,369	(322,707)
School of Dreams	607,860	-	-	-	(607,860)
Taos Academy	<u>590,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(590,720)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>12,476,224</u>	<u>166,717</u>	<u>7,728,288</u>	<u>758,995</u>	(3,822,224)
<b>GENERAL REVENUES:</b>		<b><u>Revenue From Local Sources</u></b>	<b><u>Revenue From State Sources</u></b>	<b><u>Revenue From Federal Sources</u></b>	
Cien Aguas		\$ 20,052	27,475	748,764	796,291
Cottonwood Classical		96,706	338,481	484,097	919,284
Horizon Academy West		16,981	70,000	388,753	475,734
International School at Mesa Del Sol		169	-	839,754	839,923
Media Arts Collaborative Charter		7,181	69,236	646,377	722,794
The New America School		1,000	-	728,301	729,301
North Valley Academy		64,982	77,722	303,537	446,241
School of Dreams		26,460	798,339	40,055	864,854
Taos Academy		<u>132</u>	<u>-</u>	<u>584,157</u>	<u>584,289</u>
<b>TOTAL GENERAL REVENUES</b>		<u>\$ 233,663</u>	<u>1,381,253</u>	<u>4,763,795</u>	<u>6,378,711</u>
<b>CHANGE IN NET ASSETS</b>					2,556,487
<b>NET ASSETS, BEGINNING OF YEAR</b>					<u>(232,445)</u>
<b>NET ASSETS, END OF YEAR</b>					<u>\$ 2,324,042</u>

---

**AS OF JUNE 30, 2009**

	<u>Cien Aguas International School</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Horizon Academy West</u>	<u>International School at Mesa Del Sol</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and temporary investments	\$ 117,942	144,645	529,772	11,918
Accounts receivable:				
Due from other governments	246,734	371,506	79,835	571,844
Due from other funds	-	28,569	70,320	37,878
Prepaid expenses	<u>36,363</u>	<u>1,594</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>401,039</u></b>	<b><u>546,314</u></b>	<b><u>679,927</u></b>	<b><u>621,640</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>CURRENT LIABILITIES:</b>				
Cash overdraft	\$ -	-	-	-
Accounts payable	38,493	1,168	35,283	37,944
Accrued Liabilities	-	150,631	286,650	-
Deferred revenue	-	371,367	36,193	-
Due to other funds	<u>-</u>	<u>28,569</u>	<u>70,320</u>	<u>37,878</u>
<b>TOTAL LIABILITIES</b>	<b>38,493</b>	<b>551,735</b>	<b>428,446</b>	<b>75,822</b>
<b>FUND BALANCES:</b>				
Restricted:				
Restricted for special revenue funds	366,685	17,198	(5,146)	545,649
Unrestricted	<u>(4,139)</u>	<u>(22,619)</u>	<u>256,627</u>	<u>169</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>362,546</u></b>	<b><u>(5,421)</u></b>	<b><u>251,481</u></b>	<b><u>545,818</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>401,039</u></b>	<b><u>546,314</u></b>	<b><u>679,927</u></b>	<b><u>621,640</u></b>



STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

**Combining Balance Sheet of Governmental Funds - Charter Schools**

<u>Media Arts Collaborative Charter School</u>	<u>The New America School</u>	<u>North Valley Academy</u>	<u>School of Dreams Academy</u>	<u>Taos Academy</u>	<u>Total</u>
115,321	449,988	119,938	256,634	10,213	1,756,371
245,032	279,119	58,722	235,381	369,652	2,457,825
124,652	3,595	116,730	-	-	381,744
<u>32,057</u>	<u>-</u>	<u>44,963</u>	<u>13,983</u>	<u>-</u>	<u>128,960</u>
<u>517,062</u>	<u>732,702</u>	<u>340,353</u>	<u>505,998</u>	<u>379,865</u>	<u>4,724,900</u>
-	-	24,713	-	-	24,713
21,445	325,584	84,373	269,929	398,040	1,212,259
21,717	-	272,576	-	-	731,574
173,099	-	9,536	40,055	-	630,250
<u>124,652</u>	<u>3,595</u>	<u>116,730</u>	<u>-</u>	<u>-</u>	<u>381,744</u>
340,913	329,179	507,928	309,984	398,040	2,980,540
9,230	402,718	(4,502)	196,014	(18,249)	1,509,597
<u>166,919</u>	<u>805</u>	<u>(163,073)</u>	<u>-</u>	<u>74</u>	<u>234,763</u>
<u>176,149</u>	<u>403,523</u>	<u>(167,575)</u>	<u>196,014</u>	<u>(18,175)</u>	<u>1,744,360</u>
<u>517,062</u>	<u>732,702</u>	<u>340,353</u>	<u>505,998</u>	<u>379,865</u>	<u>4,724,900</u>

---

**YEAR ENDED JUNE 30, 2009**

	<b>Cien Aguas International School</b>	<b>Cottonwood Classical Preparatory School</b>	<b>Horizon Academy West</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	\$ 362,546	(5,421)	251,481
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>			
<p>Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities.</p>			
	-	371,367	36,193
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:</p>			
Capital assets	22,298	-	28,084
Accumulated depreciation	<u>(271)</u>	<u>-</u>	<u>(20,450)</u>
Total capital assets	22,027	-	7,634
Compensated absences	<u>-</u>	<u>-</u>	<u>(133,821)</u>
<b>Net assets of governmental activities (Statement of Net Assets)</b>	\$ <u>384,573</u>	<u>365,946</u>	<u>161,487</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

**Reconciliation of the Combining Balance Sheet of Governmental Funds -  
Charter Schools to the Combining Statement of Net Assets - Charter Schools**

<u>International School at Mesa Del Sol</u>	<u>Media Arts Collaborative Charter School</u>	<u>The New America School</u>	<u>North Valley Academy</u>	<u>School of Dreams Academy</u>	<u>Taos Academy</u>	<u>Total</u>
545,818	176,149	403,523	(167,575)	196,014	(18,175)	1,744,360
-	173,099	-	9,536	40,055	-	630,250
-	8,161 <u>(144)</u>	68,000 <u>(1,889)</u>	91,474 <u>(49,077)</u>	22,884 <u>(1,959)</u>	12,344 <u>(600)</u>	253,245 <u>(74,390)</u>
-	8,017	66,111	42,397	20,925	11,744	178,855
-	-	-	<u>(95,602)</u>	-	-	<u>(229,423)</u>
<u>545,818</u>	<u>357,265</u>	<u>469,634</u>	<u>(211,244)</u>	<u>256,994</u>	<u>(6,431)</u>	<u>2,324,042</u>

---

**YEAR ENDED JUNE 30, 2009**

	<b>Cien Aguas International School</b>	<b>Cottonwood Classical Preparatory School</b>	<b>Horizon Academy West</b>
<b>REVENUES:</b>			
Revenue from local sources	\$ 20,052	131,216	115,838
Revenue from state sources	27,475	1,447,468	3,152,850
Revenue from federal sources	<u>748,764</u>	<u>369,211</u>	<u>354,211</u>
<b>TOTAL REVENUES</b>	796,291	1,947,895	3,622,899
<b>EXPENDITURES:</b>			
Instruction	223,691	1,178,079	1,599,657
Support services:			
Students	17,172	109,996	245,177
Instruction	-	15,492	44,144
General administration	27,542	22,957	14,763
School administration	91,272	271,854	552,859
Central Services	32,270	124,396	86,383
Operation and maintenance of plant	19,500	142,575	455,780
Student transportation	-	-	-
Other support services	-	-	20,258
Operation of non-instructional services:			
Food services operations	-	-	172,863
Community services operations	-	-	-
Capital outlay	<u>22,298</u>	<u>87,967</u>	<u>313,026</u>
<b>TOTAL EXPENDITURES</b>	<u>433,745</u>	<u>1,953,316</u>	<u>3,504,910</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	362,546	(5,421)	117,989
<b>FUND BALANCE, BEGINNING OF FISCAL YEAR</b>	<u>-</u>	<u>-</u>	<u>133,492</u>
<b>FUND BALANCE, END OF FISCAL YEAR</b>	\$ <u>362,546</u>	<u>(5,421)</u>	<u>251,481</u>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance - Charter Schools

International School at Mesa Del Sol	Media Arts Collaborative Charter School	The New America School	North Valley Academy	School of Dreams Academy	Taos Academy	Total
169	25,794	1,000	118,869	-	132	413,070
-	1,284,388	-	2,849,863	26,460	-	8,788,504
<u>839,754</u>	<u>474,613</u>	<u>728,301</u>	<u>313,352</u>	<u>798,339</u>	<u>584,157</u>	<u>5,210,702</u>
839,923	1,784,795	729,301	3,282,084	824,799	584,289	14,412,276
-	806,731	19,677	1,551,752	147,984	395,426	5,922,997
-	111,515	31,160	407,937	-	152,222	1,075,179
-	113,231	-	-	-	-	172,867
11,708	6,713	16,691	22,200	135,569	4,066	262,209
237,397	170,822	77,506	178,083	1,684	1,854	1,583,331
-	163,691	100,609	50,414	271,571	48,896	878,230
45,000	179,605	12,135	532,774	49,093	-	1,436,462
-	-	-	-	-	-	-
-	-	-	-	-	-	20,258
-	20,910	-	165,712	-	-	359,485
-	-	-	-	-	-	-
<u>-</u>	<u>93,794</u>	<u>68,000</u>	<u>247,612</u>	<u>22,884</u>	<u>-</u>	<u>855,581</u>
<u>294,105</u>	<u>1,667,012</u>	<u>325,778</u>	<u>3,156,484</u>	<u>628,785</u>	<u>602,464</u>	<u>12,566,599</u>
545,818	117,783	403,523	125,600	196,014	(18,175)	1,845,677
<u>-</u>	<u>58,366</u>	<u>-</u>	<u>(293,175)</u>	<u>-</u>	<u>-</u>	<u>(101,317)</u>
<u>545,818</u>	<u>176,149</u>	<u>403,523</u>	<u>(167,575)</u>	<u>196,014</u>	<u>(18,175)</u>	<u>1,744,360</u>

YEAR ENDED JUNE 30, 2009

	<u>Cien Aguas International School</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Horizon Academy West</u>
<b>Net Changes in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)</b>	\$ 362,546	(5,421)	117,989
Amounts reported for governmental activities in the Statement of Activities are different because:			
Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and	-	371,367	36,193
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. In the current period, these amounts are:			
Capital outlay	22,298	-	(3,253)
Depreciation expense	<u>(271)</u>	<u>-</u>	<u>(3,817)</u>
Excess of capital outlay over depreciation expense	22,027	-	(7,070)
Governmental Funds report compensated absences as expenditures. expenditures. However, in the Statement of Activities, the cost of those liabilities is accrued. In the current period, this amount was:			
	-	-	<u>(29,592)</u>
<b>Change in net assets of governmental activities (Statement of Activi</b>	<b>\$ <u>384,573</u></b>	<b><u>365,946</u></b>	<b><u>117,520</u></b>

STATE OF NEW MEXICO  
PUBLIC EDUCATION DEPARTMENT

Reconciliation of the Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances - Charter Schools  
to the Combining Statement of Activities - Charter Schools

<u>International School at Mesa Del Sol</u>	<u>Media Arts Collaborative Charter School</u>	<u>The New America School</u>	<u>North Valley Academy</u>	<u>School of Dreams Academy</u>	<u>Taos Academy</u>	<u>Total</u>
545,818	117,783	403,523	125,600	196,014	(18,175)	1,845,677
-	173,099	-	9,536	40,055	-	630,250
-	8,161	68,000	-	22,884	12,344	130,434
-	(144)	(1,889)	(12,658)	(1,959)	(600)	(21,338)
-	8,017	66,111	(12,658)	20,925	11,744	109,096
-	-	-	1,056	-	-	(28,536)
<u>545,818</u>	<u>298,899</u>	<u>469,634</u>	<u>123,534</u>	<u>256,994</u>	<u>(6,431)</u>	<u>2,556,487</u>

**NEW MEXICO STATE-CHARTERED SCHOOLS  
FINANCIAL STATEMENTS**



**CIEN AGUAS INTERNATIONAL SCHOOL**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL**

**Statement of Net Assets**

---

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 117,942
Due from other governments	246,734
Prepaid expenses	<u>36,363</u>
<b>TOTAL CURRENT ASSETS</b>	401,039
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	22,298
Less: accumulated depreciation	<u>(271)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>22,027</u>
<b>TOTAL ASSETS</b>	\$ <u>423,066</u>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ <u>38,493</u>
<b>TOTAL CURRENT LIABILITIES</b>	38,493
<b>NET ASSETS:</b>	
Invested in capital assets	22,027
Restricted for prepaid expenses	36,363
Restricted for special revenue funds	330,322
Unrestricted	<u>(4,139)</u>
<b>TOTAL NET ASSETS</b>	<u>384,573</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u>423,066</u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statement of Activities

YEAR ENDED JUNE 30, 2009

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 223,691	-	-	-	(223,691)
Support services:					
Students	17,172	-	-	-	(17,172)
Instruction	-	-	-	-	-
General administration	27,542	-	-	-	(27,542)
School administration	91,543	-	-	-	(91,543)
Central Services	32,270	-	-	-	(32,270)
Operation and maintenance of plant	19,500	-	-	-	(19,500)
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay (Under \$5,000)	-	-	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	\$ 411,718	-	-	-	(411,718)
<b>GENERAL REVENUES:</b>					
Revenue from local sources					20,052
Revenue from state sources					27,475
Revenue from federal sources					748,764
<b>TOTAL GENERAL REVENUES</b>					796,291
<b>CHANGE IN NET ASSETS</b>					384,573
<b>NET ASSETS, BEGINNING OF YEAR</b>					-
<b>NET ASSETS, END OF YEAR</b>					\$ 384,573

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Balance Sheet - Governmental Funds

AS OF JUNE 30, 2009

		<u>Operational</u>	<u>Charter School (Planning)</u>	<u>Charter Schools</u>	<u>Daniels Fund</u>	<u>Walton Family Foundation</u>	<u>Total Primary Government</u>
<b>ASSETS:</b>							
<b>CURRENT ASSETS:</b>							
Cash and temporary investment accounts	\$	-	1,770	113,881	2,281	10	117,942
Accounts receivable:							
Due from other governments		-	7,500	239,234	-	-	246,734
Due from other funds		-	-	-	-	-	-
Prepaid expenses		-	-	35,103	1,260	-	36,363
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>-</b>	<b>9,270</b>	<b>388,218</b>	<b>3,541</b>	<b>10</b>	<b>401,039</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>CURRENT LIABILITIES:</b>							
Accounts payable	\$	4,139	7,500	26,854	-	-	38,493
Due to other funds		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>4,139</b>	<b>7,500</b>	<b>26,854</b>	<b>-</b>	<b>-</b>	<b>38,493</b>
<b>FUND BALANCES:</b>							
Restricted:							
Restricted for special revenue funds		-	1,770	361,364	3,541	10	366,685
Unrestricted		(4,139)	-	-	-	-	(4,139)
<b>TOTAL FUND BALANCES (DEFICIT)</b>		<b>(4,139)</b>	<b>1,770</b>	<b>361,364</b>	<b>3,541</b>	<b>10</b>	<b>362,546</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>-</b>	<b>9,270</b>	<b>388,218</b>	<b>3,541</b>	<b>10</b>	<b>401,039</b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 362,546</b>
--	-------------------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital assets	22,298
Accumulated depreciation	<u>(271)</u>
Total capital assets	<u>22,027</u>
<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u>384,573</u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds

YEAR ENDED JUNE 30, 2009

	Operational	Charter School (Planning)	Charter Schools	Daniels Fund	Walton Family Foundation	Total Primary Government
<b>REVENUES:</b>						
Revenue from local sources	\$ -	-	-	10,042	10,010	20,052
Revenue from state sources	-	27,475	-	-	-	27,475
Revenue from federal sources	-	-	748,764	-	-	748,764
<b>TOTAL REVENUES</b>	-	27,475	748,764	10,042	10,010	796,291
<b>EXPENDITURES:</b>						
Current:						
Instruction	-	-	223,691	-	-	223,691
Support services:						
Students	-	-	17,172	-	-	17,172
Instruction	-	-	-	-	-	-
General administration	4,139	7,705	6,705	1,993	7,000	27,542
School administration	-	7,500	79,264	4,508	-	91,272
Central Services	-	10,500	20,270	-	1,500	32,270
Operation and maintenance of plant	-	-	18,000	-	1,500	19,500
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Operation of non-instructional services:						
Food services operations	-	-	-	-	-	-
Community services operations	-	-	-	-	-	-
Capital outlay (Under \$5,000)	-	-	22,298	-	-	22,298
<b>TOTAL EXPENDITURES</b>	4,139	25,705	387,400	6,501	10,000	433,745
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,139)	1,770	361,364	3,541	10	362,546
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ (4,139)	1,770	361,364	3,541	10	362,546

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** **\$ 362,546**

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

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. In the current period, these amounts are:

Capital outlay	22,298	
Depreciation expense	<u>(271)</u>	
Excess of capital outlay over depreciation expense		<u>22,027</u>

**Change in net assets of governmental activities (Statement of Activities)** **\$ 384,573**

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			(4,139)	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (4,139)	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOL (PLANNING)			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	36,500	36,500	19,975	(16,525)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>36,500</b>	<b>36,500</b>	<b>19,975</b>	<b>(16,525)</b>
<b>EXPENDITURES:</b>				
Instruction	3,000	3,000	-	3,000
Support services	33,500	33,500	18,205	15,295
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>36,500</b>	<b>36,500</b>	<b>18,205</b>	<b>18,295</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	1,770	1,770
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	1,770	1,770
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 1,770	
Adjustments to revenues			7,500	
Adjustments to expenditures			(7,500)	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>\$ 1,770</b>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOLS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>752,500</u>	<u>752,500</u>	<u>509,530</u>	<u>(242,970)</u>
<b>TOTAL REVENUES</b>	752,500	752,500	509,530	(242,970)
<b>EXPENDITURES:</b>				
Instruction	425,873	425,873	223,691	202,182
Support services	326,627	326,627	171,958	154,669
Operation of non-instructional services	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>752,500</u>	<u>752,500</u>	<u>395,649</u>	<u>356,851</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	113,881	113,881
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>113,881</u>	<u>113,881</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 113,881	
Adjustments to revenues			239,234	
Adjustments to expenditures			<u>8,249</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>361,364</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	DANIELS FUND			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 10,000	10,000	10,042	42
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	10,000	10,000	10,042	42
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	10,000	10,000	7,761	2,239
Operation of non-instructional services:	-	-	-	-
<b>TOTAL EXPENDITURES</b>	10,000	10,000	7,761	2,239
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	2,281	2,281
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	2,281	2,281
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 2,281	
Adjustments to revenues			-	
Adjustments to expenditures			1,260	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 3,541	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	WALTON FAMILY FOUNDATION			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 10,000	10,000	10,010	10
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>10,000</u>	<u>10,000</u>	<u>10,010</u>	<u>10</u>
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	10,000	10,000	10,000	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	10	10
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 10	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>10</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
First Community Bank -Checking	\$ 271,395	117,397
First Community Bank - Checking	<u>545</u>	<u>545</u>
	\$ <u>271,940</u>	<u>117,942</u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
CIEN AGUAS INTERNATIONAL SCHOOL

**Cash Reconciliation**

AS OF JUNE 30, 2009

	<u>Federal Flowthrough</u>	<u>Local Grants</u>	<u>State Flowthrough</u>	<u>Total</u>
<b>CASH, June 30, 2008</b>	\$ -	-	-	-
<b>ADD:</b>				-
2008-2009 revenues	509,530	20,052	19,975	549,557
Cash adjustments pending	-	-	-	-
Loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CASH AVAILABLE</b>	509,530	20,052	19,975	549,557
<b>LESS:</b>				
Bank/Treasurer adjustments	-	-	-	-
Receivables/payables	-	-	-	-
2008-2009 expenditures	395,649	17,761	18,205	431,615
Loan to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH, June 30, 2009</b>	\$ <u>113,881</u>	<u>2,291</u>	<u>1,770</u>	<u>117,942</u>

**COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

**Statement of Net Assets**

---

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 144,645
Due from other governments	371,506
Prepaid expenses	<u>1,594</u>
<b>TOTAL CURRENT ASSETS</b>	<u>517,745</u>
<b>TOTAL ASSETS</b>	\$ <u><u>517,745</u></u>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 1,168
Accrued payroll	<u>150,631</u>
<b>TOTAL CURRENT LIABILITIES</b>	151,799
<b>NET ASSETS:</b>	
Restricted for prepaid expenses	1,594
Restricted for special revenue funds	386,971
Unrestricted	<u>(22,619)</u>
<b>TOTAL NET ASSETS</b>	<u>365,946</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u><u>517,745</u></u>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statement of Activities

YEAR ENDED JUNE 30, 2009

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 1,178,079	4,400	1,277,501	-	103,822
Support services:					
Students	109,996	30,110	-	-	(79,886)
Instruction	15,492	-	-	-	(15,492)
General administration	22,957	-	-	-	(22,957)
School administration	271,854	-	-	-	(271,854)
Central Services	124,396	-	-	-	(124,396)
Operation and maintenance of plant	142,575	-	-	-	(142,575)
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay (Under \$5,000)	87,967	-	-	87,967	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	\$ 1,953,316	34,510	1,277,501	87,967	(553,338)
<b>GENERAL REVENUES:</b>					
Revenue from local sources					96,706
Revenue from state sources					338,481
Revenue from federal sources					484,097
<b>TOTAL GENERAL REVENUES</b>					919,284
<b>CHANGE IN NET ASSETS</b>					365,946
<b>NET ASSETS, BEGINNING OF YEAR</b>					-
<b>NET ASSETS, END OF YEAR</b>					\$ 365,946

---

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Instruction Materials</u>	<u>Entitlement IDEA B</u>	<u>Charter School (Planning)</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and temporary investments	\$ 100,611	36,424	-	-
Accounts receivable:				
Due from other governments	-	-	2,091	22,000
Due from other funds	28,569	-	-	-
Prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>129,180</u></b>	<b><u>36,424</u></b>	<b><u>2,091</u></b>	<b><u>22,000</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 1,168	-	-	-
Accrued expenses	150,631	-	-	-
Deferred revenue	-	-	2,091	22,000
Due to other funds	<u>-</u>	<u>-</u>	<u>2,091</u>	<u>16,409</u>
<b>TOTAL LIABILITIES</b>	<b>151,799</b>	<b>-</b>	<b>4,182</b>	<b>38,409</b>
<b>FUND BALANCES:</b>				
Restricted:				
Restricted for special revenue funds	-	36,424	(2,091)	(16,409)
Unrestricted	<u>(22,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>(22,619)</u></b>	<b><u>36,424</u></b>	<b><u>(2,091)</u></b>	<b><u>(16,409)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>129,180</u></b>	<b><u>36,424</u></b>	<b><u>2,091</u></b>	<b><u>22,000</u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Balance Sheet - Governmental Funds

<u>Public School Capital Outlay</u>	<u>Charter Schools</u>	<u>Non-instructional Support</u>	<u>Training and Recruiting</u>	<u>Technology for Education PED</u>	<u>Total Primary Government</u>
-	-	7,610	-	-	144,645
-	345,675	-	-	1,740	371,506
-	-	-	-	-	28,569
-	<u>1,594</u>	-	-	-	<u>1,594</u>
-	<u>347,269</u>	<u>7,610</u>	-	<u>1,740</u>	<u>546,314</u>
-	-	-	-	-	1,168
-	-	-	-	-	150,631
-	345,536	-	-	1,740	371,367
-	<u>8,329</u>	-	-	<u>1,740</u>	<u>28,569</u>
-	353,865	-	-	3,480	551,735
-	(6,596)	7,610	-	(1,740)	17,198
-	-	-	-	-	<u>(22,619)</u>
-	<u>(6,596)</u>	<u>7,610</u>	-	<u>(1,740)</u>	<u>(5,421)</u>
-	<u>347,269</u>	<u>7,610</u>	-	<u>1,740</u>	<u>546,314</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ (5,421)</b>
--	-------------------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities.	<u>371,367</u>
---	----------------

<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u><u>365,946</u></u></b>
--	---------------------------------

YEAR ENDED JUNE 30, 2009

	<u>Operational</u>	<u>Instruction Materials</u>	<u>Entitlement IDEA B</u>	<u>Charter School (Planning)</u>
<b>REVENUES:</b>				
Revenue from local sources	\$ 30,389	89,229	-	-
Revenue from state sources	1,277,501	-	-	82,000
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,307,890</b>	<b>89,229</b>	<b>-</b>	<b>82,000</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	874,839	52,805	2,091	90,409
Support services:				
Students	14,840	-	-	-
Instruction	4,000	-	-	-
General administration	14,857	-	-	8,000
School administration	244,188	-	-	-
Central Services	65,210	-	-	-
Operation and maintenance of plant	112,575	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services:				
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,330,509</b>	<b>52,805</b>	<b>2,091</b>	<b>98,409</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(22,619)</b>	<b>36,424</b>	<b>(2,091)</b>	<b>(16,409)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ (22,619)</b>	<b>36,424</b>	<b>(2,091)</b>	<b>(16,409)</b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

<u>Public School Capital Outlay</u>	<u>Charter Schools</u>	<u>Non-instructional Support</u>	<u>Training and Recruiting</u>	<u>Technology for Education PED</u>	<u>Total Primary Government</u>
-	-	11,598	-	-	131,216
87,967	-	-	-	-	1,447,468
<u>-</u>	<u>369,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,211</u>
87,967	369,211	11,598	-	-	1,947,895
-	152,207	3,988	-	1,740	1,178,079
-	95,156	-	-	-	109,996
-	11,492	-	-	-	15,492
-	100	-	-	-	22,957
-	27,666	-	-	-	271,854
-	59,186	-	-	-	124,396
-	30,000	-	-	-	142,575
-	-	-	-	-	-
-	-	-	-	-	-
<u>87,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,967</u>
<u>87,967</u>	<u>375,807</u>	<u>3,988</u>	<u>-</u>	<u>1,740</u>	<u>1,953,316</u>
-	(6,596)	7,610	-	(1,740)	(5,421)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(6,596)</u>	<u>7,610</u>	<u>-</u>	<u>(1,740)</u>	<u>(5,421)</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ (5,421)

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

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities. 371,367

**Change in net assets of governmental activities (Statement of Activities)** \$ 365,946

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	15,000	30,389	15,389
Revenue from state sources	1,197,948	1,298,914	1,298,914	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>1,197,948</u>	<u>1,313,914</u>	<u>1,329,303</u>	<u>15,389</u>
<b>EXPENDITURES:</b>				
Instruction	756,080	850,326	833,034	17,292
Support services	441,868	463,588	442,301	21,287
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,197,948</u>	<u>1,313,914</u>	<u>1,275,335</u>	<u>38,579</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	53,968	53,968
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	<u>53,968</u>	<u>53,968</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 53,968	
Adjustments to revenues			(21,413)	
Adjustments to expenditures			<u>(55,174)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(22,619)</u>	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	INSTRUCTION MATERIALS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 37,967	89,644	90,437	793
Revenue from state sources	-	838	-	(838)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>37,967</u>	<u>90,482</u>	<u>90,437</u>	<u>(45)</u>
<b>EXPENDITURES:</b>				
Instruction	37,967	89,644	52,805	36,839
Support services	-	838	-	838
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>37,967</u>	<u>90,482</u>	<u>52,805</u>	<u>37,677</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	37,632	37,632
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	<u>37,632</u>	<u>37,632</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 37,632	
Adjustments to revenues			(1,208)	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<u>\$ 36,424</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	ENTITLEMENT IDEA-B			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>40,955</u>	<u>40,955</u>	-	<u>(40,955)</u>
<b>TOTAL REVENUES</b>	40,955	40,955	-	(40,955)
<b>EXPENDITURES:</b>				
Instruction	40,955	40,955	2,091	38,864
Support services	-	-	-	-
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>40,955</u>	<u>40,955</u>	<u>2,091</u>	<u>38,864</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(2,091)	(2,091)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(2,091)</u>	<u>(2,091)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (2,091)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(2,091)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOL (PLANNING)			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	82,000	82,000	82,000	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>82,000</u>	<u>82,000</u>	<u>82,000</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Instruction	68,386	68,386	90,409	(22,023)
Support services	13,614	13,614	8,000	5,614
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>82,000</u>	<u>82,000</u>	<u>98,409</u>	<u>(16,409)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(16,409)	(16,409)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	-	-	(16,409)	(16,409)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (16,409)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(16,409)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC SCHOOL CAPITAL OUTLAY			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	87,967	87,967	87,967	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	87,967	87,967	87,967	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Capital outlay	87,967	87,967	87,967	-
<b>TOTAL EXPENDITURES</b>	87,967	87,967	87,967	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ -	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOLS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>600,000</u>	<u>600,000</u>	<u>369,211</u>	<u>(230,789)</u>
<b>TOTAL REVENUES</b>	600,000	600,000	369,211	(230,789)
<b>EXPENDITURES:</b>				
Instruction	221,926	221,926	152,030	69,896
Support services	378,074	378,074	225,194	152,880
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>600,000</u>	<u>600,000</u>	<u>377,224</u>	<u>222,776</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(8,013)	(8,013)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(8,013)</u>	<u>(8,013)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (8,013)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>1,417</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(6,596)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	NON-INSTRUCTIONAL SUPPORT			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	11,598	11,598
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	11,598	11,598
<b>EXPENDITURES:</b>				
Instruction	-	-	3,988	(3,988)
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	3,988	(3,988)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	7,610	7,610
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	7,610	7,610
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 7,610	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 7,610	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TRAINING AND RECRUITING			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>8,006</u>	<u>8,006</u>	-	<u>(8,006)</u>
<b>TOTAL REVENUES</b>	8,006	8,006	-	(8,006)
<b>EXPENDITURES:</b>				
Instruction	8,006	8,006	-	8,006
Support services	-	-	-	-
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>8,006</u>	<u>8,006</u>	<u>-</u>	<u>8,006</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>-</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TECHNOLOGY FOR EDUCATION PED			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	1,740	(1,740)
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	1,740	(1,740)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(1,740)	(1,740)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(1,740)	(1,740)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (1,740)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (1,740)	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL REPARATORY SCHOOL

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
Wells Fargo Bank - Checking - Operating	\$ <u>243,393</u>	<u>144,645</u>

---

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Instruction Materials</u>	<u>Non-Instructional Support</u>
<b>CASH, June 30, 2008</b>			
<b>ADD:</b>			
2008-2009 revenues	\$ 1,329,302	90,437	11,599
Receivables	75,212	-	-
Loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CASH AVAILABLE</b>	1,404,514	90,437	11,599
<b>LESS:</b>			
Payables	-	1,208	-
2008-2009 expenditures	1,275,333	52,805	3,990
Loan to other funds	<u>28,569</u>	<u>-</u>	<u>-</u>
<b>CASH, June 30, 2009</b>	<u>100,612</u>	<u>36,424</u>	<u>7,609</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
COTTONWOOD CLASSICAL PREPARATORY SCHOOL**

**Cash Reconciliation**

<u>Federal Flowthrough</u>	<u>State Flowthrough</u>	<u>Capital Outlay</u>	<u>Total</u>
369,211	82,000	87,967	1,970,516
-	-	-	75,212
<u>10,420</u>	<u>18,149</u>	<u>-</u>	<u>28,569</u>
379,631	100,149	87,967	2,074,297
316	-	-	1,524
379,315	100,149	87,967	1,899,559
<u>-</u>	<u>-</u>	<u>-</u>	<u>28,569</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>144,645</u>

**HORIZON ACADEMY WEST**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST**

**Statement of Net Assets**

**AS OF JUNE 30, 2009**

	<u><b>Governmental Activities</b></u>
<b>ASSETS:</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 529,772
Due from other governments	<u>79,835</u>
<b>TOTAL CURRENT ASSETS</b>	<b>609,607</b>
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	28,084
Less: accumulated depreciation	<u>(20,450)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>7,634</b></u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>617,241</u></u></b>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 35,283
Accrued payroll	286,650
Compensated absences	<u>133,821</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>455,754</b>
<b>NET ASSETS:</b>	
Invested in capital assets	7,634
Restricted for special revenue funds	30,163
Unrestricted	<u>123,690</u>
<b>TOTAL NET ASSETS</b>	<u><b>161,487</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u><u>617,241</u></u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statement of Activities

YEAR ENDED JUNE 30, 2009

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 1,636,319	103	2,810,625	-	1,174,409
Support services:					
Students	245,177	-	-	-	(245,177)
Instruction	44,144	-	-	-	(44,144)
General administration	14,763	-	-	-	(14,763)
School administration	552,859	-	-	-	(552,859)
Central Services	86,383	-	-	-	(86,383)
Operation and maintenance of plant	455,780	-	-	-	(455,780)
Student transportation	-	-	-	-	-
Other support services	20,258	-	-	-	(20,258)
Operation of non-instructional services:					
Food services operations	172,863	59,604	-	-	(113,259)
Community services operations	-	-	-	-	-
Capital outlay (Under \$5,000)	313,026	-	-	313,026	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	\$ 3,541,572	59,707	2,810,625	313,026	(358,214)
<b>GENERAL REVENUES:</b>					
Revenue from local sources					16,981
Revenue from state sources					70,000
Revenue from federal sources					388,753
<b>TOTAL GENERAL REVENUES</b>					475,734
<b>CHANGE IN NET ASSETS</b>					117,520
<b>NET ASSETS, BEGINNING OF YEAR</b>					43,967
<b>NET ASSETS, END OF FISCAL YEAR</b>					\$ 161,487

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Instruction Materials</u>	<u>Food Services</u>	<u>Title I - IASA</u>	<u>Entitlement IDEA B</u>
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash and temporary investments	\$ 491,382	36,384	-	-	-
Accounts receivable:					
Due from other governments	-	1,316	-	33,816	8,193
Due from other funds	<u>70,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>561,702</u></b>	<b><u>37,700</u></b>	<b><u>-</u></b>	<b><u>33,816</u></b>	<b><u>8,193</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 34,621	-	-	-	-
Accrued expenses	270,454	-	-	15,825	100
Deferred revenue	-	1,316	-	18,715	8,193
Due to other funds	<u>-</u>	<u>-</u>	<u>7,657</u>	<u>17,991</u>	<u>9,096</u>
<b>TOTAL LIABILITIES</b>	<b>305,075</b>	<b>1,316</b>	<b>7,657</b>	<b>52,531</b>	<b>17,389</b>
<b>FUND BALANCES:</b>					
Restricted:					
Restricted for special revenue funds	-	36,384	(7,657)	(18,715)	(9,196)
Unrestricted	<u>256,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>256,627</u></b>	<b><u>36,384</u></b>	<b><u>(7,657)</u></b>	<b><u>(18,715)</u></b>	<b><u>(9,196)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>561,702</u></b>	<b><u>37,700</u></b>	<b><u>-</u></b>	<b><u>33,816</u></b>	<b><u>8,193</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST**

**Balance Sheet - Governmental Funds**

<u>Training &amp; Recruiting</u>	<u>Beginning Teacher Mentoring</u>	<u>Public School Capital Outlay</u>	<u>Elementary &amp; Middle School Initiative</u>	<u>Technology for Education PED</u>	<u>Truancy Initiative PED</u>	<u>Total Primary Government</u>
-	2,006	-	-	-	-	529,772
26,451	-	-	6,039	662	3,358	79,835
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,320</u>
<u>26,451</u>	<u>2,006</u>	<u>-</u>	<u>6,039</u>	<u>662</u>	<u>3,358</u>	<u>679,927</u>
-	-	-	-	662	-	35,283
-	-	-	59	-	212	286,650
-	2,006	-	1,943	662	3,358	36,193
<u>26,451</u>	<u>-</u>	<u>-</u>	<u>5,980</u>	<u>-</u>	<u>3,145</u>	<u>70,320</u>
26,451	2,006	-	7,982	1,324	6,715	428,446
-	-	-	(1,943)	(662)	(3,357)	(5,146)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,627</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,943)</u>	<u>(662)</u>	<u>(3,357)</u>	<u>251,481</u>
<u>26,451</u>	<u>2,006</u>	<u>-</u>	<u>6,039</u>	<u>662</u>	<u>3,358</u>	<u>679,927</u>





YEAR ENDED JUNE 30, 2009

	<u>Operational</u>	<u>Instruction Materials</u>	<u>Food Services</u>	<u>Title I - IASA</u>	<u>Entitlement IDEA-B</u>
<b>REVENUES:</b>					
Revenue from local sources	\$ 7,768	42,409	59,604	-	-
Revenue from state sources	2,810,625	2,557	-	-	-
Revenue from federal sources	<u>-</u>	<u>-</u>	<u>144,830</u>	<u>111,772</u>	<u>71,158</u>
<b>TOTAL REVENUES</b>	<b>2,818,393</b>	<b>44,966</b>	<b>204,434</b>	<b>111,772</b>	<b>71,158</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	1,557,633	32,263	-	-	-
Support services:					
Students	86,919	-	-	77,904	80,354
Instruction	7,200	1,931	-	35,013	-
General administration	14,763	-	-	-	-
School administration	479,938	-	-	17,570	-
Central Services	86,383	-	-	-	-
Operation and maintenance of plant	455,780	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	20,258	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	172,863	-	-
Community services operations	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,708,874</u></b>	<b><u>34,194</u></b>	<b><u>172,863</u></b>	<b><u>130,487</u></b>	<b><u>80,354</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>109,519</b>	<b>10,772</b>	<b>31,571</b>	<b>(18,715)</b>	<b>(9,196)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<b><u>147,108</u></b>	<b><u>25,612</u></b>	<b><u>(39,228)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ <u>256,627</u></b>	<b><u>36,384</u></b>	<b><u>(7,657)</u></b>	<b><u>(18,715)</u></b>	<b><u>(9,196)</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

<u>Training &amp; Recruiting</u>	<u>Beginning Teacher Mentoring</u>	<u>Public School Capital Outlay</u>	<u>Elementary &amp; Middle School Initiative</u>	<u>Technology for Education PED</u>	<u>Truancy Initiative PED</u>	<u>Total Primary Government</u>
-	-	-	6,057	-	-	115,838
-	-	313,026	-	-	26,642	3,152,850
<u>26,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,211</u>
26,451	-	313,026	6,057	-	26,642	3,622,899
-	-	-	8,000	662	1,099	1,599,657
-	-	-	-	-	-	245,177
-	-	-	-	-	-	44,144
-	-	-	-	-	-	14,763
26,451	-	-	-	-	28,900	552,859
-	-	-	-	-	-	86,383
-	-	-	-	-	-	455,780
-	-	-	-	-	-	-
-	-	-	-	-	-	20,258
-	-	-	-	-	-	172,863
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>313,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,026</u>
<u>26,451</u>	<u>-</u>	<u>313,026</u>	<u>8,000</u>	<u>662</u>	<u>29,999</u>	<u>3,504,910</u>
-	-	-	(1,943)	(662)	(3,357)	117,989
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,492</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,943)</u>	<u>(662)</u>	<u>(3,357)</u>	<u>251,481</u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds

---

YEAR ENDED JUNE 30, 2009

**Net Changes in Fund Balances - Total Governmental Funds**

(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ 117,989

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

Revenue received after the period of availability recorded as deferred revenue on the 36,193

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. In the current period, these amounts are:

Capital outlay disposals, net	(3,253)
Depreciation expense	<u>(3,817)</u>

Excess of capital outlay over depreciation expense (7,070)

Governmental Funds report compensated absences as expenditures. However, in the Statement of Activities, the cost of those liabilities is accrued. In the current period, this amount was:

(29,592)

**Change in net assets of governmental activities (Statement of Activities) \$ 117,520**

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	373	373
Revenue from state sources	2,531,899	2,748,095	2,810,625	62,530
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,531,899</u>	<u>2,748,095</u>	<u>2,810,998</u>	<u>62,903</u>
<b>EXPENDITURES:</b>				
Instruction	1,447,503	1,554,931	1,549,325	5,606
Support services	1,332,578	1,193,164	1,117,533	75,631
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,780,081</u>	<u>2,748,095</u>	<u>2,666,858</u>	<u>81,237</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(248,182)	-	144,140	144,140
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>248,182</u>	-	<u>147,108</u>	<u>147,108</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>291,248</u>	<u>291,248</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 144,140	
Adjustments to revenues			7,395	
Adjustments to expenditures			<u>(42,016)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>109,519</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	INSTRUCTION MATERIALS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 38,045	42,409	42,409	-
Revenue from state sources	3,352	2,628	2,557	(71)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>41,397</b>	<b>45,037</b>	<b>44,966</b>	<b>(71)</b>
<b>EXPENDITURES:</b>				
Instruction	38,045	42,409	32,263	10,146
Support services	3,352	2,628	1,931	697
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>41,397</b>	<b>45,037</b>	<b>34,194</b>	<b>10,843</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	10,772	10,772
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	25,612	25,612
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	36,384	36,384
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 10,772	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>\$ 10,772</b>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	FOOD SERVICES			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 30,000	30,000	59,604	29,604
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>190,000</u>	<u>190,000</u>	<u>144,830</u>	<u>(45,170)</u>
<b>TOTAL REVENUES</b>	220,000	220,000	204,434	(15,566)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	<u>220,000</u>	<u>220,000</u>	<u>172,863</u>	<u>47,137</u>
<b>TOTAL EXPENDITURES</b>	<u>220,000</u>	<u>220,000</u>	<u>172,863</u>	<u>47,137</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	31,571	31,571
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	<u>(39,228)</u>	<u>(39,228)</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(7,657)</u>	<u>(7,657)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 31,571	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>31,571</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TITLE I - IASA			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>55,320</u>	<u>132,750</u>	<u>96,671</u>	<u>(36,079)</u>
<b>TOTAL REVENUES</b>	55,320	132,750	96,671	(36,079)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	55,320	132,750	130,487	2,263
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>55,320</u>	<u>132,750</u>	<u>130,487</u>	<u>2,263</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(33,816)	(33,816)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(33,816)</u>	<u>(33,816)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (33,816)	
Adjustments to revenues			15,101	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(18,715)</u>	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	ENTITLEMENT IDEA-B			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>42,740</u>	<u>80,354</u>	<u>71,158</u>	<u>(9,196)</u>
<b>TOTAL REVENUES</b>	42,740	80,354	71,158	(9,196)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	42,740	80,354	80,354	-
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>42,740</u>	<u>80,354</u>	<u>80,354</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(9,196)	(9,196)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(9,196)</u>	<u>(9,196)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (9,196)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(9,196)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TRAINING & RECRUITING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	26,936	26,451	-	(26,451)
<b>TOTAL REVENUES</b>	26,936	26,451	-	(26,451)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	26,936	26,451	26,451	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	26,936	26,451	26,451	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(26,451)	(26,451)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	-	-	(26,451)	(26,451)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (26,451)	
Adjustments to revenues			26,451	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ -	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	BEGINNING TEACHER MENTORING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	2,006	2,006	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	2,006	2,006	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	2,006	-	2,006
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	2,006	-	2,006
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	2,006	2,006
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	2,006	2,006
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 2,006	
Adjustments to revenues			(2,006)	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ -	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC SCHOOL CAPITAL OUTLAY			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	308,000	313,026	313,026	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	308,000	313,026	313,026	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Capital outlay	308,000	313,026	313,026	-
<b>TOTAL EXPENDITURES</b>	308,000	313,026	313,026	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ -	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	ELEMENTARY & MIDDLE SCHOOL INITIATIVE			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	8,000	6,057	(1,943)
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	8,000	6,057	(1,943)
<b>EXPENDITURES:</b>				
Instruction	-	8,000	8,000	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	8,000	8,000	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(1,943)	(1,943)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(1,943)	(1,943)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (1,943)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (1,943)	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TECHNOLOGY FOR EDUCATION PED			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	7,010	-	(7,010)
Revenue from federal sources	-	-	-	-
	-	-	-	-
<b>TOTAL REVENUES</b>	-	7,010	-	(7,010)
<b>EXPENDITURES:</b>				
Instruction	-	7,010	-	7,010
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	7,010	-	7,010
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			(662)	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (662)	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TRUANCY INITIATIVE PED			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	30,000	26,642	(3,358)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	30,000	26,642	(3,358)
<b>EXPENDITURES:</b>				
Instruction	-	1,099	1,099	-
Support services	-	28,901	28,900	1
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	30,000	29,999	1
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(3,357)	(3,357)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(3,357)	(3,357)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (3,357)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (3,357)	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Statement of Fiduciary Assets and Liabilities - Agency Funds

---

AS OF JUNE 30, 2009

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ <u>19,055</u>
<b>TOTAL ASSETS</b>	\$ <u>19,055</u>
<b>LIABILITIES:</b>	
Due to other funds	\$ 4,096
Deposits held in trust for others	<u>14,959</u>
<b>TOTAL LIABILITIES</b>	\$ <u>19,055</u>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST IZON ACADEMY WEST

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
New Mexico Bank & Trust - Checking	\$ 360,128	344,061
New Mexico Bank & Trust - Checking	<u>166,714</u>	<u>185,711</u>
	\$ <u>526,842</u>	<u>529,772</u>
New Mexico Bank & Trust - Activities	\$ <u>19,055</u>	<u>19,055</u>

---

See Independent Auditors' Report and Notes to Financial Statements.

II-71

---

See Independent Auditors' Report and Notes to Financial Statements.

II-72

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST**

**Cash Reconciliation**

---

<u>Federal Flowthrough</u>	<u>Local Grants</u>	<u>State Flowthrough</u>	<u>Capital Outlay</u>	<u>Total</u>
(70,479)	-	(29,809)	(77,000)	185,105
167,830	1,961	28,648	313,026	3,613,651
86,404	60	30,022	77,000	201,995
<u>53,538</u>	<u>6,864</u>	<u>3,145</u>	<u>-</u>	<u>71,204</u>
237,293	8,885	32,006	313,026	4,071,955
-	-	-	-	1,350
237,293	8,885	30,000	313,026	3,469,629
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,204</u>
<u>-</u>	<u>-</u>	<u>2,006</u>	<u>-</u>	<u>529,772</u>

---

**AS OF JUNE 30, 2009**

	<u>Administration</u>	<u>Kindergarten</u>	<u>First Grade</u>	<u>Second Grade</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ <u>7,915</u>	<u>1,564</u>	<u>1,521</u>	<u>1,400</u>
<b>TOTAL ASSETS</b>	\$ <u><u>7,915</u></u>	<u><u>1,564</u></u>	<u><u>1,521</u></u>	<u><u>1,400</u></u>
<b>LIABILITIES:</b>				
Deposits held in trust for others	\$ <u>7,915</u>	<u>1,564</u>	<u>1,521</u>	<u>1,400</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>7,915</u></u>	<u><u>1,564</u></u>	<u><u>1,521</u></u>	<u><u>1,400</u></u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST

Combining Statement of Assets and Liabilities -  
Agency Funds

<u>Third Grade</u>	<u>Fouth Grade</u>	<u>Fifth Grade</u>	<u>Sixth Grade</u>	<u>Total</u>
<u>2,468</u>	<u>1,917</u>	<u>919</u>	<u>1,351</u>	<u>19,055</u>
<u>2,468</u>	<u>1,917</u>	<u>919</u>	<u>1,351</u>	<u>19,055</u>
<u>2,468</u>	<u>1,917</u>	<u>919</u>	<u>1,351</u>	<u>19,055</u>
<u>2,468</u>	<u>1,917</u>	<u>919</u>	<u>1,351</u>	<u>19,055</u>

---

**AS OF JUNE 30, 2009**

	<u>Administration</u>	<u>Kindergarten</u>	<u>First Grade</u>	<u>Second Grade</u>
Assets, July 1, 2008	\$ 3,471	1,047	1,018	937
Increase	29,416	4,196	689	1,204
Decrease	<u>24,972</u>	<u>3,679</u>	<u>186</u>	<u>741</u>
Assets, June 30, 2009	\$ <u>7,915</u>	<u>1,564</u>	<u>1,521</u>	<u>1,400</u>
Liabilities, July 1, 2008	\$ 3,471	1,047	1,018	937
Increase	29,416	4,196	689	1,204
Decrease	<u>24,972</u>	<u>3,679</u>	<u>186</u>	<u>741</u>
Liabilities, June 30, 2009	\$ <u>7,915</u>	<u>1,564</u>	<u>1,521</u>	<u>1,400</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
HORIZON ACADEMY WEST**

**Schedule of Changes in Assets and Liabilities -  
Agency Funds**

---

<u>Third Grade</u>	<u>Fouth Grade</u>	<u>Fifth Grade</u>	<u>Sixth Grade</u>	<u>Total</u>
1,356	884	320	980	10,013
3,515	1,527	1,587	670	42,804
<u>2,403</u>	<u>494</u>	<u>988</u>	<u>299</u>	<u>33,762</u>
<u>2,468</u>	<u>1,917</u>	<u>919</u>	<u>1,351</u>	<u>19,055</u>
1,356	884	320	980	10,013
3,515	1,527	1,587	670	42,804
<u>2,403</u>	<u>494</u>	<u>988</u>	<u>299</u>	<u>33,762</u>
<u>2,468</u>	<u>1,917</u>	<u>919</u>	<u>1,351</u>	<u>19,055</u>

**THE INTERNATIONAL SCHOOL AT MESA DEL SOL**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL**

**Statement of Net Assets**

---

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 11,918
Due from other governments	<u>571,844</u>
<b>TOTAL CURRENT ASSETS</b>	<u>583,762</u>
<b>TOTAL ASSETS</b>	\$ <u><u>583,762</u></u>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ <u>37,944</u>
<b>TOTAL CURRENT LIABILITIES</b>	37,944
<b>NET ASSETS:</b>	
Restricted for special revenue funds	545,649
Unrestricted	<u>169</u>
<b>TOTAL NET ASSETS</b>	<u>545,818</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u><u>583,762</u></u>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Statement of Activities

YEAR ENDED JUNE 30, 2009

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ -	-	-	-	-
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	11,708	-	-	-	(11,708)
School administration	237,397	-	-	-	(237,397)
Central Services	-	-	-	-	-
Operation and maintenance of plant	45,000	-	-	-	(45,000)
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>294,105</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b>(294,105)</b>
<b>GENERAL REVENUES:</b>					
Revenue from local sources					169
Revenue from state sources					-
Revenue from federal sources					<u>839,754</u>
<b>TOTAL GENERAL REVENUES</b>					<u>839,923</u>
<b>CHANGE IN NET ASSETS</b>					545,818
<b>NET ASSETS, BEGINNING OF YEAR</b>					<u>-</u>
<b>NET ASSETS, END OF YEAR</b>					<b>\$ <u>545,818</u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Balance Sheet - Governmental Funds

AS OF JUNE 30, 2009

	Operational	Charter Schools	Public Charter School Implementation	Public Charter School Planning	Charter School (Planning)	Total Primary Government
<b>ASSETS:</b>						
<b>CURRENT ASSETS:</b>						
Cash and temporary investments	\$ 169	-	-	11,749	-	11,918
Accounts receivable:						
Due from other governments	-	571,844	-	-	-	571,844
Due from other funds	-	-	-	37,878	-	37,878
<b>TOTAL ASSETS</b>	<b>\$ 169</b>	<b>571,844</b>	<b>-</b>	<b>49,627</b>	<b>-</b>	<b>621,640</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ -	-	37,944	-	-	37,944
Due to other funds	-	-	37,878	-	-	37,878
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>75,822</b>	<b>-</b>	<b>-</b>	<b>75,822</b>
<b>FUND BALANCES:</b>						
Restricted:						
Restricted for special revenue funds	-	571,844	(75,822)	49,627	-	545,649
Unrestricted	169	-	-	-	-	169
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>169</b>	<b>571,844</b>	<b>(75,822)</b>	<b>49,627</b>	<b>-</b>	<b>545,818</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 169</b>	<b>571,844</b>	<b>-</b>	<b>49,627</b>	<b>-</b>	<b>621,640</b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets - Governmental Funds

---

YEAR ENDED JUNE 30, 2009

Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$	<u>545,818</u>
Net assets of governmental activities (Statement of Net Assets)	\$	<u>545,818</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

YEAR ENDED JUNE 30, 2009

	<u>Operational</u>	<u>Charter Schools</u>	<u>Public Charter School Implementation</u>	<u>Public Charter School Planning</u>	<u>Charter School (Planning)</u>	<u>Total Primary Government</u>
<b>REVENUES:</b>						
Revenue from local sources	\$ 169	-	-	-	-	169
Revenue from state sources	-	-	-	-	-	-
Revenue from federal sources	-	<u>571,844</u>	<u>100,000</u>	<u>167,910</u>	-	<u>839,754</u>
<b>TOTAL REVENUES</b>	169	571,844	100,000	167,910	-	839,923
<b>EXPENDITURES:</b>						
Current:						
Instruction	-	-	-	-	-	-
Support services:						
Students	-	-	-	-	-	-
Instruction	-	-	-	-	-	-
General administration	-	-	11,708	-	-	11,708
School administration	-	-	164,114	73,283	-	237,397
Central Services	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	45,000	-	45,000
Student transportation	-	-	-	-	-	-
Other support services	-	-	-	-	-	-
Operation of non-instructional services:						
Food services operations	-	-	-	-	-	-
Community services operations	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	<u>175,822</u>	<u>118,283</u>	-	<u>294,105</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	169	571,844	(75,822)	49,627	-	545,818
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ <u>169</u>	<u>571,844</u>	<u>(75,822)</u>	<u>49,627</u>	-	<u>545,818</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	
<b>(Statement of Revenues, Expenditures, and Changes in Fund Balances)</b>	\$ <u>    545,818</u>
<b>Change in net assets of governmental activities (Statement of Activities)</b>	\$ <u><u>    545,818</u></u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	169	169
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	169	169
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	169	169
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	169	169
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 169	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 169	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOLS			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	571,844	571,844
<b>TOTAL REVENUES</b>	-	-	571,844	571,844
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	571,844	571,844
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	571,844	571,844
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 571,844	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 571,844	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL IMPLEMENTATION			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>519,370</u>	<u>519,370</u>	<u>100,000</u>	<u>(419,370)</u>
<b>TOTAL REVENUES</b>	519,370	519,370	100,000	(419,370)
<b>EXPENDITURES:</b>				
Instruction	117,024	117,024	-	117,024
Support services	402,346	402,346	175,822	226,524
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>519,370</u>	<u>519,370</u>	<u>175,822</u>	<u>343,548</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(75,822)	(75,822)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(75,822)</u>	<u>(75,822)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (75,822)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(75,822)</u>	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL PLANNING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>278,969</u>	<u>278,969</u>	<u>167,910</u>	<u>(111,059)</u>
<b>TOTAL REVENUES</b>	278,969	278,969	167,910	(111,059)
<b>EXPENDITURES:</b>				
Instruction	35,000	35,000	-	35,000
Support services	243,969	243,969	118,283	125,686
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>278,969</u>	<u>278,969</u>	<u>118,283</u>	<u>160,686</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	49,627	49,627
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	\$ <u>-</u>	<u>49,627</u>	<u>49,627</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 49,627	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>49,627</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOL (PLANNING)			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	41,456	41,456	-	(41,456)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>41,456</b>	<b>41,456</b>	<b>-</b>	<b>(41,456)</b>
<b>EXPENDITURES:</b>				
Instruction	35,000	35,000	-	35,000
Support services	41,456	41,456	-	41,456
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>76,456</b>	<b>76,456</b>	<b>-</b>	<b>76,456</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(35,000)</b>	<b>(35,000)</b>	<b>-</b>	<b>35,000</b>
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	<b>\$ (35,000)</b>	<b>(35,000)</b>	<b>-</b>	<b>35,000</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>\$ -</b>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
First Community Bank - Checking	\$ <u>237,510</u>	<u>11,918</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE INTERNATIONAL SCHOOL AT MESA DEL SOL**

**Cash Reconciliation**

AS OF JUNE 30, 2009

	<u>Operations</u>	<u>Federal Flowthrough</u>	<u>State Flowthrough</u>	<u>Total</u>
<b>CASH, June 30, 2008</b>				-
<b>ADD:</b>				
2008-2009 revenues	\$ -	-	-	-
Cash adjustments pending	-	-	-	-
Loans from other funds	-	-	-	-
Unreconciled difference	-	-	-	11,918
<b>TOTAL CASH AVAILABLE</b>	-	-	-	11,918
<b>LESS:</b>				
Bank/Treasurer adjustments	-	-	-	-
Receivables/payables	-	-	-	-
2008-2009 expenditures	-	-	-	-
Loan to other funds	-	-	-	-
<b>CASH, June 30, 2009</b>	\$ -	-	-	11,918

**MEDIA ARTS COLLABORATIVE SCHOOL**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Statement of Net Assets**

---

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 115,321
Due from other governments	245,032
Prepaid expenses	<u>32,057</u>
<b>TOTAL CURRENT ASSETS</b>	392,410
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	8,161
Less: accumulated depreciation	<u>(144)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>8,017</u>
<b>TOTAL ASSETS</b>	\$ <u><u>400,427</u></u>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 21,445
Accrued payroll	<u>21,717</u>
<b>TOTAL CURRENT LIABILITIES</b>	43,162
<b>NET ASSETS:</b>	
Invested in capital assets	8,017
Restricted for prepaid expenses	32,057
Restricted for special revenue funds	156,988
Unrestricted	<u>160,203</u>
<b>TOTAL NET ASSETS</b>	<u>357,265</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u><u>400,427</u></u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

Statement of Activities

YEAR ENDED JUNE 30, 2009

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 806,731	15,177	1,130,854	-	339,300
Support services:					
Students	111,515	3,436	-	-	(108,079)
Instruction	113,231	-	-	-	(113,231)
General administration	6,713	-	-	-	(6,713)
School administration	170,822	-	-	-	(170,822)
Central Services	163,691	-	-	-	(163,691)
Operation and maintenance of plant	179,749	-	-	-	(179,749)
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	20,910	-	-	-	(20,910)
Community services operations	-	-	-	-	-
Capital outlay (Under \$5,000)	<u>85,633</u>	-	-	<u>85,633</u>	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>1,658,995</u></b>	<b><u>18,613</u></b>	<b><u>1,130,854</u></b>	<b><u>85,633</u></b>	<b>(423,895)</b>
<b>GENERAL REVENUES:</b>					
Revenue from local sources					7,181
Revenue from state sources					67,901
Revenue from federal sources					<u>647,712</u>
<b>TOTAL GENERAL REVENUES</b>					<u>722,794</u>
<b>CHANGE IN NET ASSETS</b>					298,899
<b>NET ASSETS, BEGINNING OF YEAR</b>					<u>58,366</u>
<b>NET ASSETS, END OF YEAR</b>					<b>\$ <u>357,265</u></b>

---

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Public School Capital Outlay</u>	<u>Charter School (Planning)</u>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash and temporary investments	\$ 77,694	-	50
Accounts receivable:			
Due from other governments	1,019	-	-
Due from other funds	124,652	-	-
Prepaid expenses	<u>7,735</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>211,100</u></b>	<b><u>-</u></b>	<b><u>50</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 21,445	-	-
Accrued expenses	21,717	-	-
Deferred revenue	1,019	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	44,181	-	-
<b>FUND BALANCES:</b>			
Restricted:			
Restricted for special revenue funds	-	-	50
Unrestricted	<u>166,919</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>166,919</u>	<u>-</u>	<u>50</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>211,100</u></b>	<b><u>-</u></b>	<b><u>50</u></b>



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Balance Sheet - Governmental Funds**

<u>Charter Schools</u>	<u>Entitlement IDEA-B</u>	<u>Instruction Materials</u>	<u>Title I - IASA</u>	<u>Total Primary Government</u>
-	-	37,577	-	115,321
208,083	7,302	316	28,312	245,032
-	-	-	-	124,652
<u>-</u>	<u>-</u>	<u>-</u>	<u>24,322</u>	<u>32,057</u>
<u>208,083</u>	<u>7,302</u>	<u>37,893</u>	<u>52,634</u>	<u>517,062</u>
-	-	-	-	21,445
-	-	-	-	21,717
136,150	7,302	316	28,312	173,099
<u>89,038</u>	<u>7,302</u>	<u>-</u>	<u>28,312</u>	<u>124,652</u>
225,188	14,604	316	56,624	340,913
(17,105)	(7,302)	37,577	(3,990)	9,230
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,919</u>
<u>(17,105)</u>	<u>(7,302)</u>	<u>37,577</u>	<u>(3,990)</u>	<u>176,149</u>
<u>208,083</u>	<u>7,302</u>	<u>37,893</u>	<u>52,634</u>	<u>517,062</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 176,149</b>
--	-------------------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities.	173,099
---	---------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital assets	8,161
Accumulated depreciation	<u>(144)</u>
Total capital assets	<u>8,017</u>

<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u>357,265</u></b>
--	--------------------------

**YEAR ENDED JUNE 30, 2009**

	<u>Operational</u>	<u>Public School Capital Outlay</u>	<u>Charter School (Planning)</u>
<b>REVENUES:</b>			
Revenue from local sources	\$ 25,794	-	-
Revenue from state sources	1,130,854	85,633	-
Revenue from federal sources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b>1,156,648</b>	<b>85,633</b>	<b>-</b>
<b>EXPENDITURES:</b>			
Current:			
Instruction	488,903	-	10,841
Support services:			
Students	79,440	-	24,773
Instruction	-	-	-
General administration	6,713	-	-
School administration	147,330	-	-
Central Services	67,448	-	11,949
Operation and maintenance of plant	179,605	-	-
Student transportation	-	-	-
Other support services	-	-	-
Operation of non-instructional services:			
Food services operations	20,910	-	-
Community services operations	-	-	-
Capital outlay	-	-	-
Capital outlay (non-capitalized)	<u>-</u>	<u>85,633</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>990,349</u></b>	<b><u>85,633</u></b>	<b><u>47,563</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>166,299</b>	<b>-</b>	<b>(47,563)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<b><u>620</u></b>	<b><u>-</u></b>	<b><u>47,613</u></b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ <u>166,919</u></b>	<b><u>-</u></b>	<b><u>50</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

<u>Charter Schools</u>	<u>Entitlement IDEA-B</u>	<u>Instruction Materials</u>	<u>Title I - IASA</u>	<u>Total Primary Government</u>
-	-	-	-	25,794
-	-	67,901	-	1,284,388
<u>474,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>474,613</u>
474,613	-	67,901	-	1,784,795
272,673	-	30,324	3,990	806,731
-	7,302	-	-	111,515
113,231	-	-	-	113,231
-	-	-	-	6,713
23,492	-	-	-	170,822
84,294	-	-	-	163,691
-	-	-	-	179,605
-	-	-	-	-
-	-	-	-	-
-	-	-	-	20,910
-	-	-	-	-
8,161	-	-	-	8,161
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,633</u>
<u>501,851</u>	<u>7,302</u>	<u>30,324</u>	<u>3,990</u>	<u>1,667,012</u>
(27,238)	(7,302)	37,577	(3,990)	117,783
<u>10,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,366</u>
<u>(17,105)</u>	<u>(7,302)</u>	<u>37,577</u>	<u>(3,990)</u>	<u>176,149</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** **\$ 117,783**

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

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities. 173,099

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. In the current period, these amounts are:

Capital outlay	8,161	
Depreciation expense	<u>(144)</u>	
Excess of capital outlay over depreciation expense		<u>8,017</u>

**Change in net assets of governmental activities (Statement of Activities)** **\$ 298,899**

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
 MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

Statements of Revenues, Expenditures  
 and Changes in Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	25,794	25,794
Revenue from state sources	1,202,201	1,130,854	1,130,854	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>1,202,201</u>	<u>1,130,854</u>	1,156,648	25,794
<b>EXPENDITURES:</b>				
Instruction	695,701	595,601	485,305	110,296
Support services	506,500	515,153	471,722	43,431
Operation of non-instructional services	-	<u>20,100</u>	<u>19,612</u>	<u>488</u>
<b>TOTAL EXPENDITURES</b>	<u>1,202,201</u>	<u>1,130,854</u>	<u>976,639</u>	<u>154,215</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	180,009	180,009
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	<u>620</u>	<u>620</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	<u>180,629</u>	<u>180,629</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 180,009	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(13,710)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>166,299</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC SCHOOL CAPITAL OUTLAY			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	-	99,319	85,633	(13,686)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	99,319	85,633	(13,686)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Capital outlay	-	99,319	85,633	13,686
<b>TOTAL EXPENDITURES</b>	-	99,319	85,633	13,686
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	-	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ -	

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued**

YEAR ENDED JUNE 30, 2009

	<b>CHARTER SCHOOL (PLANNING)</b>			<b>Variance Positive (Negative)</b>
	<b>Budgeted Amount</b>		<b>Actual Amount</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	47,563	-	(47,563)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	47,563	-	(47,563)
<b>EXPENDITURES:</b>				
Instruction	-	10,841	10,841	-
Support services	-	36,722	36,722	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	47,563	47,563	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(47,563)	(47,563)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	47,613	47,613
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	50	50
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (47,563)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (47,563)	



**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued**

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOLS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	643,950	643,950	402,680	(241,270)
<b>TOTAL REVENUES</b>	643,950	643,950	402,680	(241,270)
<b>EXPENDITURES:</b>				
Instruction	274,236	274,236	272,673	1,563
Support services	369,714	369,714	229,178	140,536
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	643,950	643,950	501,851	142,099
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(99,171)	(99,171)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	10,133	10,133
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(89,038)	(89,038)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (99,171)	
Adjustments to revenues			71,933	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (27,238)	

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued**

YEAR ENDED JUNE 30, 2009

	<b>ENTITLEMENT IDEA-B</b>			<b>Variance Positive (Negative)</b>
	<b>Budgeted Amount</b>		<b>Actual Amount</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>20,818</u>	<u>20,818</u>	-	<u>(20,818)</u>
<b>TOTAL REVENUES</b>	<b>20,818</b>	<b>20,818</b>	<b>-</b>	<b>(20,818)</b>
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	20,818	20,818	7,302	13,516
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>20,818</u></b>	<b><u>20,818</u></b>	<b><u>7,302</u></b>	<b><u>13,516</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(7,302)</b>	<b>(7,302)</b>
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>-</b>	<b>(7,302)</b>	<b>(7,302)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (7,302)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>\$ <u>(7,302)</u></b>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
 MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

Statements of Revenues, Expenditures  
 and Changes in Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	INSTRUCTION MATERIALS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	38,311	67,901	67,901	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>38,311</u>	<u>67,901</u>	<u>67,901</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Instruction	37,967	67,557	30,324	37,233
Support services	344	344	-	344
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>38,311</u>	<u>67,901</u>	<u>30,324</u>	<u>37,577</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	37,577	37,577
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	<u>37,577</u>	<u>37,577</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 37,577	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<u>\$ 37,577</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TITLE I - IASA			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>28,312</u>	<u>28,312</u>	-	<u>(28,312)</u>
<b>TOTAL REVENUES</b>	28,312	28,312	-	(28,312)
<b>EXPENDITURES:</b>				
Instruction	28,312	28,312	28,312	-
Support services	-	-	-	-
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>28,312</u>	<u>28,312</u>	<u>28,312</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(28,312)	(28,312)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(28,312)</u>	<u>(28,312)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (28,312)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>24,322</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(3,990)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT ATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
First Community Bank - Checking	\$ <u>174,188</u>	<u>115,321</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
MEDIA ARTS COLLABORATIVE CHARTER SCHOOL**

**Cash Reconciliation**

AS OF JUNE 30, 2009

	<b>Operational</b>	<b>Instruction Materials</b>	<b>Federal Flowthrough</b>	<b>State Flowthrough</b>	<b>Total</b>
<b>CASH, June 30, 2008</b>	\$ 620	-	10,133	47,613	58,366
<b>ADD:</b>					
2008-2009 revenues	1,178,365	67,901	402,680	-	1,648,946
Cash adjustments pending	-	-	-	-	-
Loans from other funds	-	-	<u>124,652</u>	-	<u>124,652</u>
<b>TOTAL CASH AVAILABLE</b>	1,178,985	67,901	537,465	47,613	1,831,964
<b>LESS:</b>					
Bank/Treasurer adjustments	-	-	-	-	-
Receivables/payables	-	-	-	-	-
2008-2009 expenditures	976,639	30,324	537,465	47,563	1,591,991
Loan to other funds	<u>124,652</u>	-	-	-	<u>124,652</u>
<b>CASH, June 30, 2009</b>	<u>77,694</u>	<u>37,577</u>	<u>-</u>	<u>50</u>	<u>115,321</u>

**THE NEW AMERICA SCHOOL**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL**

**Statement of Net Assets**

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 449,988
Due from other governments	<u>279,119</u>
<b>TOTAL CURRENT ASSETS</b>	729,107
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	68,000
Less: accumulated depreciation	<u>(1,889)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>66,111</u>
<b>TOTAL ASSETS</b>	\$ <u><u>795,218</u></u>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ <u>325,584</u>
<b>TOTAL CURRENT LIABILITIES</b>	325,584
<b>NET ASSETS:</b>	
Invested in capital assets	66,111
Restricted for special revenue	402,718
Unrestricted	<u>805</u>
<b>TOTAL NET ASSETS</b>	<u>469,634</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u><u>795,218</u></u>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Statement of Activities

YEAR ENDED JUNE 30, 2009

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 21,566	-	-	-	(21,566)
Support services:					
Students	31,160	-	-	-	(31,160)
Instruction	-	-	-	-	-
General administration	16,691	-	-	-	(16,691)
School administration	77,506	-	-	-	(77,506)
Central Services	100,609	-	-	-	(100,609)
Operation and maintenance of plant	12,135	-	-	-	(12,135)
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>259,667</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b>(259,667)</b>
<b>GENERAL REVENUES:</b>					
Revenue from local sources					1,000
Revenue from state sources					-
Revenue from federal sources					<u>728,301</u>
<b>TOTAL GENERAL REVENUES</b>					<u>729,301</u>
<b>CHANGE IN NET ASSETS</b>					469,634
<b>NET ASSETS, BEGINNING OF YEAR</b>					<u>-</u>
<b>NET ASSETS, END OF YEAR</b>					<b>\$ <u>469,634</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL**

**Balance Sheet - Governmental Funds**

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Public Charter School Implementation</u>	<u>Public Charter School Planning</u>	<u>Charter School (Planning)</u>	<u>Total Primary Government</u>
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash and temporary investments	\$ 267,143	182,845	-	-	449,988
Accounts receivable:					
Due from other governments	-	261,460	17,659	-	279,119
Due from other funds	<u>3,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,595</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>270,738</u></b>	<b><u>444,305</u></b>	<b><u>17,659</u></b>	<b><u>-</u></b>	<b><u>732,702</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ 269,933	55,651	-	-	325,584
Due to other funds	<u>-</u>	<u>-</u>	<u>3,595</u>	<u>-</u>	<u>3,595</u>
<b>TOTAL LIABILITIES</b>	269,933	55,651	3,595	-	329,179
<b>FUND BALANCES:</b>					
Reserved:					
Restricted for special revenue funds	-	388,654	14,064	-	402,718
Unrestricted	<u>805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>805</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>805</u></b>	<b><u>388,654</u></b>	<b><u>14,064</u></b>	<b><u>-</u></b>	<b><u>403,523</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>270,738</u></b>	<b><u>444,305</u></b>	<b><u>17,659</u></b>	<b><u>-</u></b>	<b><u>732,702</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 403,523</b>
--	-------------------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital assets	68,000
Accumulated depreciation	<u>(1,889)</u>
Total capital assets	<u>66,111</u>
<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u><u>469,634</u></u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds

YEAR ENDED JUNE 30, 2009

	Operational	Public Charter School Implementation	Public Charter School Planning	Charter School (Planning)	Total Primary Government
<b>REVENUES:</b>					
Revenue from local sources	\$ 1,000	-	-	-	1,000
Revenue from state sources	-	-	-	-	-
Revenue from federal sources	-	669,553	58,748	-	728,301
<b>TOTAL REVENUES</b>	1,000	669,553	58,748	-	729,301
<b>EXPENDITURES:</b>					
Current:					
Instruction	-	19,677	-	-	19,677
Support services:					
Students	-	17,581	13,579	-	31,160
Instruction	-	-	-	-	-
General administration	-	16,691	-	-	16,691
School administration	195	73,483	3,828	-	77,506
Central Services	-	77,552	23,057	-	100,609
Operation and maintenance of plant	-	7,915	4,220	-	12,135
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay	-	68,000	-	-	68,000
<b>TOTAL EXPENDITURES</b>	195	280,899	44,684	-	325,778
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	805	388,654	14,064	-	403,523
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	\$ 805	388,654	14,064	-	403,523

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ 403,523

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

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. In the current period, these amounts are:

Capital outlay	68,000	
Depreciation expense	<u>(1,889)</u>	
Excess of capital outlay over depreciation expense		<u>66,111</u>
<b>Change in net assets of governmental activities (Statement of Activities)</b>		<b>\$ <u><u>469,634</u></u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	1,000	1,000
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	1,000	1,000
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	195	(195)
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	195	(195)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	805	805
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	805	805
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 805	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 805	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL IMPLEMENTATION			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>673,319</u>	<u>673,319</u>	<u>408,093</u>	<u>(265,226)</u>
<b>TOTAL REVENUES</b>	673,319	673,319	408,093	(265,226)
<b>EXPENDITURES:</b>				
Instruction	371,295	371,295	87,677	283,618
Support services	302,024	302,024	137,571	164,453
Operation of non-instructional services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>673,319</u>	<u>673,319</u>	<u>225,248</u>	<u>448,071</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	182,845	182,845
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>182,845</u>	<u>182,845</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 182,845	
Adjustments to revenues			261,460	
Adjustments to expenditures			<u>(55,651)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>388,654</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL PLANNING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>125,020</u>	<u>125,020</u>	<u>41,089</u>	<u>(83,931)</u>
<b>TOTAL REVENUES</b>	125,020	125,020	41,089	(83,931)
<b>EXPENDITURES:</b>				
Instruction	11,700	11,700	-	11,700
Support services	113,320	113,320	44,684	68,636
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>125,020</u>	<u>125,020</u>	<u>44,684</u>	<u>80,336</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(3,595)	(3,595)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(3,595)</u>	<u>(3,595)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (3,595)	
Adjustments to revenues			17,659	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>14,064</u>	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOL (PLANNING)			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 36,456	36,456	-	(36,456)
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>36,456</b>	<b>36,456</b>	<b>-</b>	<b>(36,456)</b>
<b>EXPENDITURES:</b>				
Instruction	10,000	10,000	-	10,000
Support services	26,456	26,456	-	26,456
Operation of non-instructional services:	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>36,456</b>	<b>36,456</b>	<b>-</b>	<b>36,456</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>\$ -</b>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
Wells Fargo Bank - Checking	\$ <u>449,988</u>	<u>449,988</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
THE NEW AMERICA SCHOOL**

**Cash Reconciliation**

---

**AS OF JUNE 30, 2009**

	<u>Federal Flowthrough</u>	<u>Total</u>
<b>CASH, June 30, 2008</b>	\$ -	-
<b>ADD:</b>		
2008-2009 revenues	732,896	732,896
Loans from other funds	<u>-</u>	<u>-</u>
<b>TOTAL CASH AVAILABLE</b>	732,896	732,896
<b>LESS:</b>		
2008-2009 expenditures	282,908	282,908
Loan to other funds	<u>-</u>	<u>-</u>
<b>CASH, June 30, 2009</b>	\$ <u><u>449,988</u></u>	<u><u>449,988</u></u>

**NORTH VALLEY ACADEMY**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY**

**Statement of Net Assets**

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 119,938
Receivables (net of allowance for uncollectibles)	58,722
Prepaid expenses	<u>44,963</u>
<b>TOTAL CURRENT ASSETS</b>	<b>223,623</b>
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	91,474
Less: accumulated depreciation	<u>(49,077)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>42,397</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>266,020</u></b>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Cash overdraft	\$ 24,713
Accounts payable	84,373
Accrued payroll	272,576
Compensated absences	<u>95,602</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>477,264</b>
<b>NET ASSETS:</b>	
Invested in capital assets	42,397
Restricted for special revenue funds	(90,568)
Unrestricted	<u>(163,073)</u>
<b>TOTAL NET ASSETS</b>	<u>(211,244)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>266,020</u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statement of Activities

YEAR ENDED JUNE 30, 2009

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 1,550,696	-	2,509,308	-	958,612
Support services:					
Students	398,122	887	-	-	(397,235)
Instruction	-	-	-	-	-
General administration	22,200	-	-	-	(22,200)
School administration	178,083	-	-	-	(178,083)
Central Services	50,414	-	-	-	(50,414)
Operation and maintenance of plant	545,432	3,000	-	-	(542,432)
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	165,712	50,000	-	-	(115,712)
Community services operations	-	-	-	-	-
Capital outlay ( Under \$5,000)	247,612	-	-	272,369	24,757
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	\$ 3,158,271	53,887	2,509,308	272,369	(322,707)
<b>GENERAL REVENUES:</b>					
Revenue from local sources					64,982
Revenue from state sources					77,722
Revenue from federal sources					303,537
<b>TOTAL GENERAL REVENUES</b>					446,241
<b>CHANGE IN NET ASSETS</b>					123,534
<b>NET ASSETS, BEGINNING OF YEAR</b>					(334,778)
<b>NET ASSETS, END OF YEAR</b>				\$	(211,244)

---

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Public School Capital Outlay</u>	<u>Food Services</u>	<u>Entitlement IDEA-B</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and temporary investments	\$ 7,180	-	-	-
Accounts receivable:				
Due from other governments	2,435	-	10,217	14,890
Due from other funds	116,730	-	-	-
Prepaid expenses	<u>10,976</u>	<u>-</u>	<u>-</u>	<u>17,758</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>137,321</u></b>	<b><u>-</u></b>	<b><u>10,217</u></b>	<b><u>32,648</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>CURRENT LIABILITIES:</b>				
Cash overdraft	\$ -	-	24,713	-
Accounts payable	65,723	-	16,031	-
Accrued payroll	234,671	-	-	2,802
Deferred revenue	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,971</u>
<b>TOTAL LIABILITIES</b>	<b>300,394</b>	<b>-</b>	<b>40,744</b>	<b>22,773</b>
<b>FUND BALANCES:</b>				
Restricted:				
Restricted for special revenue funds	-	-	(30,527)	9,875
Unrestricted	<u>(163,073)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>(163,073)</u></b>	<b><u>-</u></b>	<b><u>(30,527)</u></b>	<b><u>9,875</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>137,321</u></b>	<b><u>-</u></b>	<b><u>10,217</u></b>	<b><u>32,648</u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Balance Sheet - Governmental Funds

<u>Instructional Materials</u>	<u>Library Book Fund</u>	<u>Microsoft Settlement</u>	<u>Pre-K Initiative</u>	<u>Pre-K Special State</u>	<u>Private Grants</u>
77,948	1,310	1,000	-	-	1,316
-	-	-	-	9,536	-
-	-	-	-	-	-
<u>77,948</u>	<u>1,310</u>	<u>1,000</u>	<u>-</u>	<u>9,536</u>	<u>1,316</u>
-	-	-	-	-	-
2,084	-	-	108	-	19
-	-	-	12,035	-	-
-	-	-	-	9,536	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>38,020</u>	<u>9,773</u>	<u>-</u>
2,084	-	-	50,163	19,309	19
75,864	1,310	1,000	(50,163)	(9,773)	1,297
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>75,864</u>	<u>1,310</u>	<u>1,000</u>	<u>(50,163)</u>	<u>(9,773)</u>	<u>1,297</u>
<u>77,948</u>	<u>1,310</u>	<u>1,000</u>	<u>-</u>	<u>9,536</u>	<u>1,316</u>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Balance Sheet - Governmental Funds - continued

Beginning Teacher Mentoring	Title I - IASA	Training and Recruiting	Total Primary Government
31,184	-	-	119,938
-	19,783	1,861	58,722
-	-	-	116,730
-	<u>13,781</u>	<u>2,448</u>	<u>44,963</u>
<u>31,184</u>	<u>33,564</u>	<u>4,309</u>	<u>340,353</u>
-	-	-	24,713
-	.408	-	84,373
400	22,668	-	272,576
-	-	-	9,536
-	<u>12,494</u>	<u>36,472</u>	<u>116,730</u>
400	35,570	36,472	507,928
30,784	(2,006)	(32,163)	(4,502)
-	-	-	<u>(163,073)</u>
<u>30,784</u>	<u>(2,006)</u>	<u>(32,163)</u>	<u>(167,575)</u>
<u>31,184</u>	<u>33,564</u>	<u>4,309</u>	<u>340,353</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ (167,575)</b>
--	---------------------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities.	9,536
---	-------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital assets	91,474
Accumulated depreciation	<u>(49,077)</u>
Total capital assets	42,397

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences	<u>(95,602)</u>
----------------------	-----------------

<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u><u>(211,244)</u></u></b>
--	-----------------------------------

YEAR ENDED JUNE 30, 2009

	<u>Operational</u>	<u>Public School Capital Outlay</u>	<u>Food Services</u>	<u>Entitlement IDEA-B</u>
<b>REVENUES:</b>				
Revenue from local sources	\$ 10,499	-	50,000	-
Revenue from state sources	2,509,308	272,369	-	-
Revenue from federal sources	-	-	124,975	68,887
<b>TOTAL REVENUES</b>	2,519,807	272,369	174,975	68,887
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,322,939	-	-	-
Support services:				
Students	300,662	-	-	59,012
Instruction	-	-	-	-
General administration	22,200	-	-	-
School administration	178,083	-	-	-
Central Services	50,414	-	-	-
Operation and maintenance of plant	532,774	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services:				
Food services operations	-	-	165,712	-
Community services operations	-	-	-	-
Capital outlay	-	247,612	-	-
<b>TOTAL EXPENDITURES</b>	2,407,072	247,612	165,712	59,012
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	112,735	24,757	9,263	9,875
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	(275,808)	(24,757)	(39,790)	-
<b>FUND BALANCES, END OF YEAR</b>	\$ (163,073)	-	(30,527)	9,875

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

<u>Instructional Materials</u>	<u>Library Book Fund</u>	<u>Microsoft Settlement</u>	<u>Pre-K Initiative</u>	<u>Pre-K Special State</u>	<u>Private Grants</u>
58,370	-	-	-	-	-
2,372	1,310	-	57,482	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
60,742	1,310	-	57,482	-	-
-	-	-	109,610	9,537	-
-	-	-	-	-	1,203
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>109,610</u>	<u>9,537</u>	<u>1,203</u>
60,742	1,310	-	(52,128)	(9,537)	(1,203)
<u>15,122</u>	<u>-</u>	<u>1,000</u>	<u>1,965</u>	<u>(236)</u>	<u>2,500</u>
<u>75,864</u>	<u>1,310</u>	<u>1,000</u>	<u>(50,163)</u>	<u>(9,773)</u>	<u>1,297</u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds - continued

Beginning Teacher Mentoring	Title I - IASA	Training and Recruiting	Total Primary Government
-	-	-	118,869
7,022	-	-	2,849,863
<u>-</u>	<u>119,490</u>	<u>-</u>	<u>313,352</u>
7,022	119,490	-	3,282,084
3,067	106,599	-	1,551,752
-	14,897	32,163	407,937
-	-	-	-
-	-	-	22,200
-	-	-	178,083
-	-	-	50,414
-	-	-	532,774
-	-	-	-
-	-	-	-
-	-	-	165,712
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>247,612</u>
<u>3,067</u>	<u>121,496</u>	<u>32,163</u>	<u>3,156,484</u>
3,955	(2,006)	(32,163)	125,600
<u>26,829</u>	<u>-</u>	<u>-</u>	<u>(293,175)</u>
<u>30,784</u>	<u>(2,006)</u>	<u>(32,163)</u>	<u>(167,575)</u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds

---

YEAR ENDED JUNE 30, 2009

Net Changes in Fund Balances - Total Governmental Funds  
(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ 125,600

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

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities. 9,536

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. In the current period, these amounts are:

Capital outlay	-
Depreciation expense	(12,658)
Excess of capital outlay over depreciation expense	(12,658)

Governmental Funds report compensated absences as expenditures. However, in the Statement of Activities, the cost of those liabilities is accrued. In the current period, this amount was: 1,056

Change in net assets of governmental activities (Statement of Activities) \$ 123,534

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	10,499	10,499
Revenue from state sources	2,339,549	2,553,308	2,553,308	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,339,549</u>	<u>2,553,308</u>	<u>2,563,807</u>	<u>10,499</u>
<b>EXPENDITURES:</b>				
Instruction	1,302,060	1,497,529	1,483,798	13,731
Support services	1,057,489	1,055,779	1,084,133	(28,354)
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,359,549</u>	<u>2,553,308</u>	<u>2,567,931</u>	<u>(14,623)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(20,000)	-	(4,124)	(4,124)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>20,000</u>	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(4,124)</u>	<u>(4,124)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (4,124)	
Adjustments to revenues			(44,000)	
Adjustments to expenditures			<u>160,859</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>112,735</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC SCHOOL CAPITAL OUTLAY			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	294,000	272,369	272,369	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	294,000	272,369	272,369	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Capital outlay	294,000	272,369	272,369	-
<b>TOTAL EXPENDITURES</b>	294,000	272,369	272,369	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	-	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			-	
Adjustments to revenues			-	
Adjustments to expenditures			24,757	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			24,757	-



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	FOOD SERVICES			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	42,096	50,000	7,904
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>220,000</u>	<u>128,000</u>	<u>138,944</u>	<u>10,944</u>
<b>TOTAL REVENUES</b>	220,000	170,096	188,944	18,848
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	<u>220,000</u>	<u>170,096</u>	<u>149,681</u>	<u>20,415</u>
<b>TOTAL EXPENDITURES</b>	<u>220,000</u>	<u>170,096</u>	<u>149,681</u>	<u>20,415</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	39,263	39,263
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>39,263</u>	<u>39,263</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 39,263	
Adjustments to revenues			(13,969)	
Adjustments to expenditures			<u>(16,031)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>9,263</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	ENTITLEMENT IDEA-B			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>59,032</u>	<u>59,032</u>	<u>44,121</u>	<u>(14,911)</u>
<b>TOTAL REVENUES</b>	59,032	59,032	44,121	(14,911)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	59,032	59,032	59,012	20
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>59,032</u>	<u>59,032</u>	<u>59,012</u>	<u>20</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(14,891)	(14,891)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(14,891)</u>	<u>(14,891)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (14,891)	
Adjustments to revenues			24,766	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>9,875</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	INSTRUCTIONAL MATERIALS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ 34,539	58,370	58,370	-
Revenue from state sources	2,189	2,616	2,372	(244)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>36,728</b>	<b>60,986</b>	<b>60,742</b>	<b>(244)</b>
<b>EXPENDITURES:</b>				
Instruction	34,539	58,370	21,417	36,953
Support services	2,189	2,616	-	2,616
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>36,728</b>	<b>60,986</b>	<b>21,417</b>	<b>39,569</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	39,325	39,325
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	39,325	(39,325)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 39,325	
Adjustments to revenues			-	
Adjustments to expenditures			21,417	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 60,742	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	LIBRARY BOOK FUND			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	1,310	1,310
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	1,310	1,310
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	1,310	1,310
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	1,310	1,310
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 1,310	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 1,310	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	MICROSOFT SETTLEMENT			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ -	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PRE-K INITIATIVE			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	116,040	57,482	(58,558)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	116,040	57,482	(58,558)
<b>EXPENDITURES:</b>				
Instruction	-	116,040	109,610	6,430
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	116,040	109,610	6,430
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(52,128)	(52,128)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(52,128)	(52,128)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (52,128)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (52,128)	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PRE-K SPECIAL STATE			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Instruction	-	-	9,537	(9,537)
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	9,537	(9,537)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(9,537)	(9,537)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(9,537)	(9,537)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (9,537)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (9,537)	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PRIVATE GRANTS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	2,500	1,203	1,297
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	2,500	1,203	1,297
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(2,500)	(1,203)	1,297
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	2,500	2,500	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	1,297	1,297
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (1,203)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (1,203)	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	BEGINNING TEACHER MENTORING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	32,922	32,922
Revenue from federal sources	-	-	-	-
	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	32,922	32,922
<b>EXPENDITURES:</b>				
Instruction	-	-	3,067	(3,067)
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	3,067	(3,067)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	29,855	29,855
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	29,855	29,855
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 29,855	
Adjustments to revenues			(25,900)	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 3,955	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TITLE I - IASA			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>124,276</u>	<u>124,276</u>	<u>111,427</u>	<u>(12,849)</u>
<b>TOTAL REVENUES</b>	124,276	124,276	111,427	(12,849)
<b>EXPENDITURES:</b>				
Instruction	124,276	105,026	106,599	(1,573)
Support services	-	19,250	14,897	4,353
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>124,276</u>	<u>124,276</u>	<u>121,496</u>	<u>2,780</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(10,069)	(10,069)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(10,069)</u>	<u>(10,069)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (10,069)	
Adjustments to revenues			8,063	
Adjustments to expenditures			<u>-</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(2,006)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	TRAINING & RECRUITING			Variance Positive (Negative)
	Budgeted Amount		Actual Amount	
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>24,890</u>	<u>24,890</u>	<u>15,845</u>	<u>(9,045)</u>
<b>TOTAL REVENUES</b>	24,890	24,890	15,845	(9,045)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services:	24,890	24,890	22,348	2,542
Operation of non-instructional services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>24,890</u>	<u>24,890</u>	<u>22,348</u>	<u>2,542</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(6,503)	(6,503)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>(6,503)</u>	<u>(6,503)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (6,503)	
Adjustments to revenues			(15,845)	
Adjustments to expenditures			<u>(9,815)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(32,163)</u>	

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY**

**Statement of Fiduciary Assets and Liabilities - Activity Funds**

---

**AS OF JUNE 30, 2009**

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ <u>3,886</u>
<b>TOTAL ASSETS</b>	\$ <u><u>3,886</u></u>
<b>LIABILITIES:</b>	
Deposits held in trust for others	\$ <u>3,886</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>3,886</u></u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Schedule of Cash and Temporary Investment Accounts

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
New Mexico Bank & Trust - Checking	\$ 227,353	119,938
New Mexico Bank & Trust - Checking	<u>2,095</u>	<u>(24,713)</u>
	\$ <u>229,448</u>	<u>95,225</u>
 New Mexico Bank & Trust - Activities	 \$ <u>8,062</u>	 <u>3,886</u>

---

AS OF JUNE 30, 2009

	<u>Operational</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Federal Flowthrough</u>
<b>CASH, June 30, 2008</b>	\$ (24,706)	62,126	(63,976)	(54,373)
<b>ADD:</b>				
2008-2009 revenues	2,485,418	60,742	188,944	171,393
Receivables	139,480	-	-	84,959
Loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CASH AVAILABLE</b>	2,600,192	122,868	124,968	201,979
<b>LESS:</b>				
Payables	-	23,502	-	-
2008-2009 expenditures	2,560,518	21,418	149,681	201,979
Loan to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH, June 30, 2009</b>	<u>39,674</u>	<u>77,948</u>	<u>(24,713)</u>	<u>-</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY**

**Cash Reconciliation**

---

<u>Local Grants Fund</u>	<u>State Flowthrough</u>	<u>Local or State Fund</u>	<u>Total</u>
1,000	2,658	2,500	(74,771)
-	91,713	-	2,998,210
-	27,124	18	251,581
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,000	121,495	2,518	3,175,020
-	-	-	23,502
-	121,495	1,202	3,056,293
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,000</u>	<u>-</u>	<u>1,316</u>	<u>95,225</u>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Combining Statement of Assets and Liabilities -  
Activity Funds

AS OF JUNE 30, 2009

	Teachers	Pepsi	Student Council	Yearbook	Total
<b>ASSETS:</b>					
Cash and cash equivalents	\$ <u>3,159</u>	<u>423</u>	<u>260</u>	<u>44</u>	<u>3,886</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>3,159</u></b>	<b><u>423</u></b>	<b><u>260</u></b>	<b><u>44</u></b>	<b><u>3,886</u></b>
<b>LIABILITIES:</b>					
Deposits held in trust for others	\$ <u>3,159</u>	<u>423</u>	<u>260</u>	<u>44</u>	<u>3,886</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>3,159</u></b>	<b><u>423</u></b>	<b><u>260</u></b>	<b><u>44</u></b>	<b><u>3,886</u></b>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
NORTH VALLEY ACADEMY

Schedule of Changes in Assets and Liabilities - Activity Funds

AS OF JUNE 30, 2009

	<u>Teachers</u>	<u>Pepsi</u>	<u>Student Council</u>	<u>Yearbook</u>	<u>Total</u>
Assets, July 1, 2008	\$ -	-	-	-	-
Increase	3,159	423	260	44	3,886
Decrease	-	-	-	-	-
Assets, June 30, 2009	\$ <u>3,159</u>	<u>423</u>	<u>260</u>	<u>44</u>	<u>3,886</u>
Liabilities, July 1, 2008	\$ -	-	-	-	-
Increase	3,159	423	260	44	3,886
Decrease	-	-	-	-	-
Liabilities, June 30, 2009	\$ <u>3,159</u>	<u>423</u>	<u>260</u>	<u>44</u>	<u>3,886</u>

**SCHOOL OF DREAMS ACADEMY**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Statement of Net Assets**

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 256,634
Due from other governments	235,381
Prepaid expenses	<u>13,983</u>
<b>TOTAL CURRENT ASSETS</b>	<b>505,998</b>
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	22,884
Less: accumulated depreciation	<u>(1,959)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>20,925</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>526,923</u></b>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ <u>269,929</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>269,929</b>
<b>NET ASSETS:</b>	
Invested in capital assets	20,925
Restricted for prepaid expenses	13,983
Restricted for special revenue	<u>222,086</u>
<b>TOTAL NET ASSETS</b>	<u>256,994</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>526,923</u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY

Statement of Activities

YEAR ENDED JUNE 30, 2009

		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES:</b>						
Instruction	\$	149,943	-	-	-	(149,943)
Support services:						
Students		-	-	-	-	-
Instruction		-	-	-	-	-
General administration		135,569	-	-	-	(135,569)
School administration		1,684	-	-	-	(1,684)
Central Services		271,571	-	-	-	(271,571)
Operation and maintenance of plant		49,093	-	-	-	(49,093)
Student transportation		-	-	-	-	-
Other support services		-	-	-	-	-
Operation of non-instructional services:						
Food services operations		-	-	-	-	-
Community services operations		-	-	-	-	-
Capital outlay		-	-	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>607,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(607,860)</b>
<b>GENERAL REVENUES:</b>						
Revenue from local sources						26,460
Revenue from state sources						798,339
Revenue from federal sources						40,055
<b>TOTAL GENERAL REVENUES</b>						<b>864,854</b>
<b>CHANGE IN NET ASSETS</b>						<b>256,994</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>						<b>-</b>
<b>NET ASSETS, END OF YEAR</b>						<b>\$ 256,994</b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Balance Sheet - Governmental Funds**

AS OF JUNE 30, 2009

	<u>Charter School (Planning)</u>	<u>Public Charter School Implementation</u>	<u>Public Charter School Planning</u>	<u>Total Primary Government</u>
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and temporary investments	\$ 25,088	231,546	-	256,634
Accounts receivable:				
Due from other governments	-	195,326	40,055	235,381
Due from other funds	-	-	-	-
Prepaid expenses	<u>-</u>	<u>13,983</u>	<u>-</u>	<u>13,983</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>25,088</u></b>	<b><u>440,855</u></b>	<b><u>40,055</u></b>	<b><u>505,998</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ -	229,874	40,055	269,929
Due to other funds	-	-	-	-
Deferred Revenue	<u>-</u>	<u>-</u>	<u>40,055</u>	<u>40,055</u>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>229,874</b>	<b>80,110</b>	<b>309,984</b>
<b>FUND BALANCES:</b>				
Restricted:				
Restricted for special revenue	25,088	210,981	(40,055)	196,014
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>25,088</u></b>	<b><u>210,981</u></b>	<b><u>(40,055)</u></b>	<b><u>196,014</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>25,088</u></b>	<b><u>440,855</u></b>	<b><u>40,055</u></b>	<b><u>505,998</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 196,014</b>
--	-------------------

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities.	40,055
---	--------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital assets	22,884
Accumulated depreciation	<u>(1,959)</u>
Total capital assets	<u>20,925</u>
<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b>\$ <u>256,994</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

YEAR ENDED JUNE 30, 2009

	Charter School (Planning)	Public Charter School Implementation	Public Charter School Planning	Total Primary Government
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	26,460	-	-	26,460
Revenue from federal sources	-	746,222	52,117	798,339
Other financing sources	-	-	-	-
Other items	-	-	-	-
<b>TOTAL REVENUES</b>	<b>26,460</b>	<b>746,222</b>	<b>52,117</b>	<b>824,799</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,372	146,612	-	147,984
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	44,976	90,593	135,569
School administration	-	1,684	-	1,684
Central Services	-	269,992	1,579	271,571
Operation and maintenance of plant	-	49,093	-	49,093
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services:				
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	22,884	-	22,884
<b>TOTAL EXPENDITURES</b>	<b>1,372</b>	<b>535,241</b>	<b>92,172</b>	<b>628,785</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>25,088</b>	<b>210,981</b>	<b>(40,055)</b>	<b>196,014</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 25,088</b>	<b>210,981</b>	<b>(40,055)</b>	<b>196,014</b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ 196,014

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

Revenue received after the period of availability recorded as deferred revenue on the modified accrual basis as used by the Governmental Fund and as revenue in the accrual basis Statement of Net Assets and Activities. 40,055

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. In the current period, these amounts are:

Capital outlay	22,884	
Depreciation expense	<u>(1,959)</u>	
Excess of capital outlay over depreciation expense		<u>20,925</u>

**Change in net assets of governmental activities (Statement of Activities)** \$ 256,994



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOL (PLANNING)			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	-	-	-	-
Revenue from state sources	26,460	26,460	26,460	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>26,460</b>	<b>26,460</b>	<b>26,460</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Instruction	26,460	26,460	1,372	25,088
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>26,460</b>	<b>26,460</b>	<b>1,372</b>	<b>25,088</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>25,088</b>	<b>25,088</b>
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>25,088</b>	<b>25,088</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 25,088	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			<b>\$ 25,088</b>	

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued**

YEAR ENDED JUNE 30, 2009

	<b>PUBLIC CHARTER SCHOOL IMPLEMENTATION</b>			
	<b>Budgeted Amount</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>580,286</u>	<u>614,379</u>	<u>550,896</u>	<u>(63,483)</u>
<b>TOTAL REVENUES</b>	580,286	614,379	550,896	(63,483)
<b>EXPENDITURES:</b>				
Instruction	25,392	154,121	154,121	-
Support services	554,894	460,258	165,229	295,029
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>580,286</u>	<u>614,379</u>	<u>319,350</u>	<u>295,029</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	231,546	231,546
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>231,546</u>	<u>231,546</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 231,546	
Adjustments to revenues			195,326	
Adjustments to expenditures			<u>(215,891)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>210,981</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL PLANNING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	<u>183,960</u>	<u>183,960</u>	<u>52,117</u>	<u>(131,843)</u>
<b>TOTAL REVENUES</b>	183,960	183,960	52,117	(131,843)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	183,960	183,960	52,117	131,843
Operation of non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>183,960</u>	<u>183,960</u>	<u>52,117</u>	<u>131,843</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(40,055)</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ <u>(40,055)</u>	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
Wells Fargo Bank - Checking	\$ <u>296,627</u>	<u>256,634</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
SCHOOL OF DREAMS ACADEMY**

**Cash Reconciliation**

AS OF JUNE 30, 2009

		<u>Federal Flowthrough</u>	<u>Federal Flowthrough</u>	<u>Total</u>
<b>CASH, June 30, 2008</b>	\$	-	-	-
<b>ADD:</b>				-
2008-2009 revenues		603,013	26,460	629,473
Loans from other funds		<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CASH AVAILABLE</b>		603,013	26,460	629,473
<b>LESS:</b>				
2008-2009 expenditures		371,467	1,372	372,839
Loan to other funds		<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH, June 30, 2009</b>	\$	<u><u>231,546</u></u>	<u><u>25,088</u></u>	<u><u>256,634</u></u>

**TAOS ACADEMY**

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY**

**Statement of Net Assets**

**AS OF JUNE 30, 2009**

<b>ASSETS:</b>	<b>Governmental Activities</b>
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 10,213
Due from other governments	<u>369,652</u>
<b>TOTAL CURRENT ASSETS</b>	<b>379,865</b>
<b>NON-CURRENT ASSETS:</b>	
Capital assets:	
Furniture, fixtures and equipment	12,344
Less: accumulated depreciation	<u>(600)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>11,744</b></u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>391,609</u></u></b>
<b>LIABILITIES AND NET ASSETS:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ <u>398,040</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>398,040</b>
<b>NET ASSETS:</b>	
Invested in capital assets	11,744
Restricted for special revenue	(18,249)
Unrestricted	<u>74</u>
<b>TOTAL NET ASSETS</b>	<u><b>(6,431)</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u><u>391,609</u></u></b>

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Statement of Activities

YEAR ENDED JUNE 30, 2009

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 395,426	-	-	-	(395,426)
Support services:					
Students	140,478	-	-	-	(140,478)
Instruction	-	-	-	-	-
General administration	4,066	-	-	-	(4,066)
School administration	1,854	-	-	-	(1,854)
Central Services	48,896	-	-	-	(48,896)
Operation and maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 590,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(590,720)</b>
<b>GENERAL REVENUES:</b>					
Revenue from local sources					132
Revenue from state sources					-
Revenue from federal sources					584,157
<b>TOTAL GENERAL REVENUES</b>					<b>584,289</b>
<b>CHANGE IN NET ASSETS</b>					<b>(6,431)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>					-
<b>NET ASSETS, END OF YEAR</b>					<b>\$ (6,431)</b>



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Balance Sheet - Governmental Funds

AS OF JUNE 30, 2009

		<u>Operational</u>	<u>Charter School (Planning)</u>	<u>Public Charter School Implementation</u>	<u>Public Charter School Planning</u>	<u>Total Primary Government</u>
<b>ASSETS:</b>						
<b>CURRENT ASSETS:</b>						
Cash and temporary investments	\$	74	-	10,139	-	10,213
Accounts receivable:						
Due from other governments		-	369,652	-	-	369,652
Due from other funds		-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>74</u></b>	<b><u>369,652</u></b>	<b><u>10,139</u></b>	<b><u>-</u></b>	<b><u>379,865</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$	-	-	283,299	114,741	398,040
Due to other funds		-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>283,299</b>	<b>114,741</b>	<b>398,040</b>
<b>FUND BALANCES:</b>						
Restricted:						
Restricted for special revenue		-	369,652	(273,160)	(114,741)	(18,249)
Unrestricted		74	-	-	-	74
<b>TOTAL FUND BALANCES (DEFICIT)</b>		<b><u>74</u></b>	<b><u>369,652</u></b>	<b><u>(273,160)</u></b>	<b><u>(114,741)</u></b>	<b><u>(18,175)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b><u>74</u></b>	<b><u>369,652</u></b>	<b><u>10,139</u></b>	<b><u>-</u></b>	<b><u>379,865</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Total Fund Balance - Governmental Funds**  
**(Governmental Fund Balance Sheet)** \$ (18,175)

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds. These assets consist of:

Capital assets	12,344
Accumulated depreciation	<u>(600)</u>
Total capital assets	<u>11,744</u>

**Net assets of governmental activities (Statement of Net Assets)** \$ (6,431)

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

**YEAR ENDED JUNE 30, 2009**

	<b>Operational</b>	<b>Charter School (Planning)</b>	<b>Public Charter School Implementation</b>	<b>Public Charter School Planning</b>	<b>Total Primary Government</b>
<b>REVENUES:</b>					
Revenue from local sources	\$ 132	-	-	-	132
Revenue from state sources	-	-	-	-	-
Revenue from federal sources	-	<u>369,652</u>	<u>186,562</u>	<u>27,943</u>	<u>584,157</u>
<b>TOTAL REVENUES</b>	<b>132</b>	<b>369,652</b>	<b>186,562</b>	<b>27,943</b>	<b>584,289</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	-	-	342,289	53,137	395,426
Support services:					
Students	-	-	52,401	87,477	139,878
Instruction	-	-	-	-	-
General administration	-	-	4,066	-	4,066
School administration	58	-	-	1,796	1,854
Central Services	-	-	48,622	274	48,896
Operation and maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Operation of non-instructional services:					
Food services operations	-	-	-	-	-
Community services operations	-	-	-	-	-
Capital outlay	-	-	<u>12,344</u>	-	<u>12,344</u>
<b>TOTAL EXPENDITURES</b>	<b><u>58</u></b>	<b><u>-</u></b>	<b><u>459,722</u></b>	<b><u>142,684</u></b>	<b><u>602,464</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>74</b>	<b>369,652</b>	<b>(273,160)</b>	<b>(114,741)</b>	<b>(18,175)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ <u>74</u></b>	<b><u>369,652</u></b>	<b><u>(273,160)</u></b>	<b><u>(114,741)</u></b>	<b><u>(18,175)</u></b>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities - Governmental Funds**

---

**YEAR ENDED JUNE 30, 2009**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ (18,175)

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

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. In the current period, these amounts are:

Capital outlay	12,344	
Depreciation expense	<u>(600)</u>	
Excess of capital outlay over depreciation expense		<u>11,744</u>

**Change in net assets of governmental activities (Statement of Activities)** \$ (6,431)

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual

YEAR ENDED JUNE 30, 2009

	OPERATIONAL			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	132	132
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	132	132
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	-	58	(58)
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	58	(58)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	74	74
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	74	74
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ 74	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 74	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	CHARTER SCHOOLS			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	31,456	-	(31,456)
Revenue from federal sources	-	-	-	-
<b>TOTAL REVENUES</b>	-	31,456	-	(31,456)
<b>EXPENDITURES:</b>				
Instruction	-	-	-	-
Support services	-	31,456	-	31,456
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	31,456	-	31,456
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	-	-
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			369,652	
Adjustments to expenditures			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ 369,652	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL IMPLEMENTATION			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	653,844	176,423	(477,421)
<b>TOTAL REVENUES</b>	-	653,844	176,423	(477,421)
<b>EXPENDITURES:</b>				
Instruction	-	458,039	342,289	115,750
Support services	-	195,805	115,401	80,404
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	653,844	457,690	196,154
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(281,267)	(281,267)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(281,267)	(281,267)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (281,267)	
Adjustments to revenues			10,139	
Adjustments to expenditures			(2,032)	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (273,160)	

STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Statements of Revenues, Expenditures  
and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual - continued

YEAR ENDED JUNE 30, 2009

	PUBLIC CHARTER SCHOOL PLANNING			
	Budgeted Amount		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from local sources	\$ -	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	141,095	27,943	(113,152)
<b>TOTAL REVENUES</b>	-	141,095	27,943	(113,152)
<b>EXPENDITURES:</b>				
Instruction	-	54,265	34,253	20,012
Support services	-	86,830	86,805	25
Operation of non-instructional services	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	141,095	121,058	20,037
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(93,115)	(93,115)
<b>CASH OR FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-	-
<b>CASH OR FUND BALANCE, END OF YEAR</b>	\$ -	-	(93,115)	(93,115)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Excess revenues over (under) expenditures			\$ (93,115)	
Adjustments to revenues			-	
Adjustments to expenditures			(21,626)	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			\$ (114,741)	



STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY

Schedule of Cash and Temporary Investment Accounts

---

AS OF JUNE 30, 2009

<u>Bank Account Type</u>	<u>Bank Balance</u>	<u>Book Balance</u>
First Community Bank - Checking	\$ <u>9,812</u>	\$ <u>10,213</u>

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT  
TAOS ACADEMY**

**Cash Reconciliation**

AS OF JUNE 30, 2009

		<u>Operations</u>	<u>Federal Flowthrough</u>	<u>Total</u>
<b>CASH, June 30, 2008</b>	\$	-	-	-
<b>ADD:</b>				-
2008-2009 revenues		138	214,505	214,643
Cash adjustments pending		-	-	-
Loans from other funds		-	-	-
Unreconciled differences		-	<u>401</u>	<u>401</u>
<b>TOTAL CASH AVAILABLE</b>		138	214,906	215,044
<b>LESS:</b>				
Bank/Treasurer adjustments		-	-	-
Receivables/payables		-	(374,014)	(374,014)
2008-2009 expenditures		96	578,749	578,845
Loan to other funds		-	-	-
<b>CASH, June 30, 2009</b>	\$	<u>42</u>	<u>10,171</u>	<u>10,213</u>