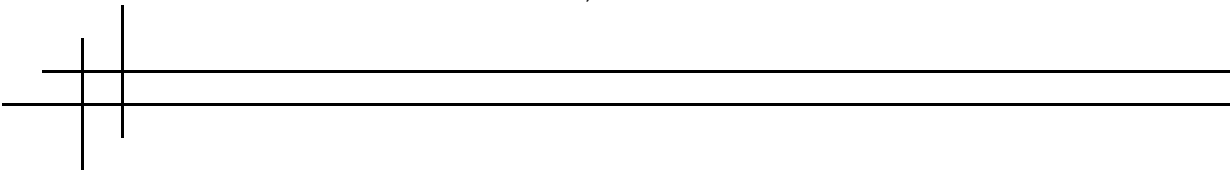


STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2010

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
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 For the Year Ended June 30, 2010

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**ARTESIA PUBLIC SCHOOLS**  
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**ARTESIA PUBLIC SCHOOLS**  
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STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
Official Roster  
June 30, 2010

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**BOARD OF EDUCATION**

Lowell M. Irby	President
Carolyn Shearman	Vice-President
Margaret Aguilar	Secretary
Jeff Bowman	Member
Alden Elkins	Member

**SCHOOL OFFICIALS**

James M. Phipps	Superintendent
Camille George	Assistant Superintendent for Curriculum
Juan C. Saiz	Assistant Superintendent for Operations
Jacquelyn Sanderson	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

## Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general funds and major special revenue fund of ARTESIA PUBLIC SCHOOL DISTRICT, (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

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

*De'Ann Willoughby CPA PC*

November 15, 2010



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Government-Wide Statement of Net Assets  
 June 30, 2010

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 13,858,439
Property Taxes Receivable	754,556
Due from Grantor	576,730
Inventory	4,535
Total Current Assets	<u>15,194,260</u>
Noncurrent Assets	
Capital Assets	77,745,765
Less: Accumulated Depreciation	<u>(38,471,672)</u>
Total Noncurrent Assets	<u>39,274,093</u>
Total Assets	<u>54,468,353</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	133,431
Accrued Interest	36,054
Deferred Revenue	17,079
Compensated Absences	156,188
Current Portion of Long-Term Debt	840,000
Total Current Liabilities	<u>1,182,752</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>1,914,366</u>
Total Noncurrent Liabilities	<u>1,914,366</u>
Total Liabilities	<u>3,097,118</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	36,519,727
Restricted for Retirement of Long-Term Debt	915,494
Unrestricted	13,936,014
Total Net Assets	<u>\$ 51,371,235</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Government-Wide Statement of Activities  
 For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 22,558,548	\$ 391,719	\$ 4,023,613	\$ 0	\$ (18,143,216)
Support Services-Students	2,988,564	122,910	750,858	0	(2,114,796)
Support Services-Instruction	944,366	0	106,280	0	(838,086)
General Administration	638,417	0	85,754	0	(552,663)
School Administration	2,406,011	0	399,881	0	(2,006,130)
Central Services	673,392	0	0	0	(673,392)
Operation of Plant	4,606,302	39,716	8,287	0	(4,558,299)
Student Transportation	1,594,226	0	1,533,158	0	(61,068)
Food Services Operations	1,352,605	420,217	938,246	0	5,858
Community Service	78,117	0	3,500	0	(74,617)
Other	7,905	0	0	0	(7,905)
Interest on Long-Term Obligations	94,530	0	0	0	(94,530)
Total Governmental Activities	<u>\$ 37,942,983</u>	<u>\$ 974,562</u>	<u>\$ 7,849,577</u>	<u>\$ 0</u>	<u>(29,118,844)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes					
Property Taxes, Levied for Capital Projects					
Property Taxes, Levied for Debt Service					
Federal and State aid not restricted to specific purpose					
General					
Capital					
Interest and investment earnings					
Miscellaneous					
Subtotal, General Revenues					
Change in Net Assets					
Net Assets - beginning					
Net Assets - ending					

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2010

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,480,075	\$ 30,716	\$ 936
Receivables			
Property Taxes	60,973	0	0
Due From Grantor	0	0	0
Interfund Balances	576,428	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 2,117,476</b>	<b>\$ 30,716</b>	<b>\$ 936</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 0	\$ 0
Accounts Payable	51,017	0	102
Deferred Revenue	21,249	0	0
<b>Total Liabilities</b>	<b>72,266</b>	<b>0</b>	<b>102</b>
<b>Fund Balances</b>			
<b>Reserved for</b>			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
<b>Unreserved, Undesignated, reported in</b>			
General Fund	2,045,210	30,716	834
Capital Projects	0	0	0
<b>Total Fund Balances</b>	<b>2,045,210</b>	<b>30,716</b>	<b>834</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,117,476</b>	<b>\$ 30,716</b>	<b>\$ 936</b>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2010

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
	Instructional Materials 14000	State Fiscal Stabilization Program Fund 25250	House Bill 33 31600
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 58,796	\$ 0	\$ 9,612,315
Receivables			
Property Taxes	0	0	380,756
Due From Grantor	0	380,856	
Interfund Balances	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b><u>\$ 58,796</u></b>	<b><u>\$ 380,856</u></b>	<b><u>\$ 9,993,071</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 380,856	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	20,433
<b>Total Liabilities</b>	<b><u>0</u></b>	<b><u>380,856</u></b>	<b><u>20,433</u></b>
<b>Fund Balances</b>			
<b>Reserved for</b>			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
<b>Unreserved, Undesignated, reported in</b>			
General Fund	58,796	0	0
Capital Projects	0	0	9,972,638
<b>Total Fund Balances</b>	<b><u>58,796</u></b>	<b><u>0</u></b>	<b><u>9,972,638</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 58,796</u></b>	<b><u>\$ 380,856</u></b>	<b><u>\$ 9,993,071</u></b>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2010

	<u>Capital Projects</u>		
	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,550,928	\$ 1,124,673	\$ 13,858,439
Receivables			
Property Taxes	245,646	67,181	754,556
Due From Grantor	0	195,874	576,730
Interfund Balances	0	0	576,428
Inventory	0	4,535	4,535
Total Assets	<u>\$ 1,796,574</u>	<u>\$ 1,392,263</u>	<u>\$ 15,770,688</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 195,572	\$ 576,428
Accounts Payable	79,812	2,500	133,431
Deferred Revenue	86,425	46,512	174,619
Total Liabilities	<u>166,237</u>	<u>244,584</u>	<u>884,478</u>
<b>Fund Balances</b>			
<b>Reserved for</b>			
Inventory	0	4,535	4,535
Special Revenue Funds	0	227,650	227,650
Retirement of Long-Term Debt	0	915,494	915,494
<b>Unreserved, Undesignated, reported in</b>			
General Fund	0	0	2,135,556
Capital Projects	1,630,337	0	11,602,975
Total Fund Balances	<u>1,630,337</u>	<u>1,147,679</u>	<u>14,886,210</u>
Total Liabilities and Fund Balances	<u>\$ 1,796,574</u>	<u>\$ 1,392,263</u>	<u>\$ 15,770,688</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2010

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Total Fund Balance - Governmental Funds \$ 14,886,210

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

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

The cost of capital assets	\$ 77,745,765	
Accumulated depreciation is	<u>(38,471,672)</u>	
		39,274,093

Property taxes receivable will be collected after the period of  
 availability, but are not available soon enough to pay for the  
 current period's expenditures, and therefore are deferred in  
 the funds.

157,540

Long-term and certain other liabilities, including bonds  
 payable, are not due and payable in the current period and  
 therefore are not reported as liabilities in the funds. Long-term  
 and other liabilities at year end consist of :

Bonds payable	(2,800,000)	
Issue Costs	152,115	
Accumulated Amortization	(106,481)	
Accrued interest on bonds	(36,054)	
Compensated Absences	<u>(156,188)</u>	<u>(2,946,608)</u>

Total net assets - governmental activities \$ 51,371,235

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2010

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 686,940	\$ 0	\$ 0
Interest Income	12,352	0	0
Fees	226,529	0	0
State & Local Grants	23,540,449	0	1,533,158
Federal Grants	45,817	0	0
Miscellaneous	134,837	39,716	0
<b>Total Revenues</b>	<b>24,646,924</b>	<b>39,716</b>	<b>1,533,158</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	14,796,167	0	0
Support Service-Students	2,094,474	0	0
Support Services-Instruction	791,460	0	0
Support Services-General Administration	537,632	0	0
Support Services-School Administration	2,004,188	0	0
Central Services	625,162	0	0
Operation & Maintenance of Plant	2,956,458	9,000	0
Transportation	0	0	1,532,324
Other	7,905	0	0
Community Services	78,117	0	0
Food Services		0	0
Capital Outlay		0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>23,891,563</b>	<b>9,000</b>	<b>1,532,324</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>755,361</b>	<b>30,716</b>	<b>834</b>
<b>Fund Balance Beginning of Year</b>	<b>1,289,849</b>	<b>0</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$ 2,045,210</b>	<b>\$ 30,716</b>	<b>\$ 834</b>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2010

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
	Instructional Materials 14000	State Fiscal Stabilization Program Fund 25250	House Bill 33 31600
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 6,219,001
Interest Income	0	0	16,978
Fees	0	0	0
State & Local Grants	147,846	0	0
Federal Grants	0	2,324,182	0
Miscellaneous	0	0	0
Total Revenues	<u>147,846</u>	<u>2,324,182</u>	<u>6,235,979</u>
<b>Expenditures</b>			
Current			
Instruction	164,763	1,963,478	0
Support Service-Students	0	207,146	0
Support Services-Instruction	980	99,067	0
Support Services-General Administration	0	0	19,725
Support Services-School Administration	0	46,204	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	8,287	102,039
Transportation	0	0	0
Other	0	0	0
Community Services	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	3,463,364
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>165,743</u>	<u>2,324,182</u>	<u>3,585,128</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,897)	0	2,650,851
Fund Balance Beginning of Year	<u>76,693</u>	<u>0</u>	<u>7,321,787</u>
Fund Balance End of Year	<u>\$ 58,796</u>	<u>\$ 0</u>	<u>\$ 9,972,638</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2010

	<u>Capital Projects</u>		
	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Property Taxes	\$ 2,788,662	\$ 728,129	\$ 10,422,732
Interest Income	2,179	2,275	33,784
Fees	0	708,317	934,846
State & Local Grants	61,580	163,649	25,446,682
Federal Grants	0	3,680,742	6,050,741
Miscellaneous	32,050	3,325	209,928
Total Revenues	<u>2,884,471</u>	<u>5,286,437</u>	<u>43,098,713</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	560,564	2,112,773	19,597,745
Support Service-Students	0	686,944	2,988,564
Support Services-Instruction	0	48,534	940,041
Support Services-General Administration	10,676	73,006	641,039
Support Services-School Administration	0	360,369	2,410,761
Central Services	0	3,500	628,662
Operation & Maintenance of Plant	1,555,120	0	4,630,904
Transportation	0	0	1,532,324
Other	0	0	7,905
Community Services	0	0	78,117
Food Services	0	1,352,933	1,352,933
Capital Outlay	362,740	0	3,826,104
Debt Service			
Principal	0	835,000	835,000
Interest	0	97,217	97,217
Total Expenditures	<u>2,489,100</u>	<u>5,570,276</u>	<u>39,567,316</u>
Excess (Deficiency) of Revenues Over Expenditures	395,371	(283,839)	3,531,397
Fund Balance Beginning of Year	<u>1,234,966</u>	<u>1,431,518</u>	<u>11,354,813</u>
Fund Balance End of Year	<u>\$ 1,630,337</u>	<u>\$ 1,147,679</u>	<u>\$ 14,886,210</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 To the Statement of Activities  
 June 30, 2010

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Net Change in Fund Balance-Governmental Funds \$ 3,531,397

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

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes Receivable, June 30, 2009	(369,692)	
Property Taxes Receivable, June 30, 2010	<u>157,540</u>	(212,152)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Depreciation expense	\$ (2,954,202)	
Capital Outlays	<u>3,826,104</u>	871,902

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 835,000

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

Accrued Interest, June 30, 2009	53,953	
Accrued Interest, June 30, 2010	<u>(36,054)</u>	17,899

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds. (15,212)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2009	70,932	
Compensated Absences, June 30, 2010	<u>(156,188)</u>	<u>(85,256)</u>

Changes in Net Assets of Governmental Activities \$ 4,943,578

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 745,321	\$ 613,612	\$ 649,192	\$ 35,580
Interest Income	18,754	18,754	12,352	(6,402)
Fees	279,663	260,000	226,529	(33,471)
State Grant	25,289,284	24,463,345	23,540,449	(922,896)
Federal Grant	19,674	19,674	45,817	26,143
Miscellaneous	142,097	174,700	134,837	(39,863)
<b>Total Revenues</b>	<b>26,494,793</b>	<b>25,550,085</b>	<b>24,609,176</b>	<b>(940,909)</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	11,392,967	11,302,267	11,049,120	253,147
Employee Benefits	3,985,307	3,696,539	3,261,056	435,483
Professional & Tech Services	252,748	297,748	161,796	135,952
Other Purchased Services	122,087	126,640	86,845	39,795
Supplies	280,000	292,609	231,755	60,854
<b>Total Instruction</b>	<b>16,033,109</b>	<b>15,715,803</b>	<b>14,790,572</b>	<b>925,231</b>
<b>Support Services-Students</b>				
Personnel Services	1,481,502	1,412,427	1,339,418	73,009
Employee Benefits	611,151	439,178	404,594	34,584
Professional & Tech Services	386,990	323,456	259,990	63,466
Other Purchased Services	0	7	6	1
Supplies	70,000	170,500	90,466	80,034
<b>Support Services-Students</b>	<b>2,549,643</b>	<b>2,345,568</b>	<b>2,094,474</b>	<b>251,094</b>
<b>Support Services-Instruction</b>				
Personnel Services	608,465	628,023	561,018	67,005
Employee Benefits	333,373	227,815	211,145	16,670
Professional & Tech Services	0	500	160	340
Supplies	968,021	883,021	22,414	860,607
<b>Support Services-Instruction</b>	<b>1,909,859</b>	<b>1,739,359</b>	<b>794,737</b>	<b>944,622</b>
<b>Support Services-General Administration</b>				
Personnel Services	320,705	321,333	321,202	131
Employee Benefits	112,825	111,047	82,676	28,371
Professional & Tech Services	151,506	151,807	87,031	64,776
Other Purchased Services	27,260	28,610	19,400	9,210
Supplies	41,000	40,500	24,947	15,553
<b>Total Support Services-General Administration</b>	<b>\$ 653,296</b>	<b>\$ 653,297</b>	<b>\$ 535,256</b>	<b>\$ 118,041</b>

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Support Services-School Administration</b>				
Personnel Services	\$ 1,569,362	\$ 1,590,623	\$ 1,529,496	\$ 61,127
Employee Benefits	568,197	473,875	440,335	33,540
Professional & Tech Services	10,000	23,061	14,880	8,181
Other Purchased Services	6,000	6,000	1,216	4,784
Supplies	20,000	74,500	18,261	56,239
Total Support Services-School Administration	2,173,559	2,168,059	2,004,188	163,871
<b>Central Services</b>				
Personnel Services	472,505	482,094	469,164	12,930
Employee Benefits	227,488	211,103	123,291	87,812
Professional & Tech Services	12,000	15,295	14,209	1,086
Other Purchased Services	3,500	2,500	1,475	1,025
Supplies	15,000	19,000	16,942	2,058
Total Central Services	730,493	729,992	625,081	104,911
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	1,273,849	1,289,115	1,289,020	95
Employee Benefits	463,665	473,646	470,691	2,955
Professional & Tech Services	2,241	2,241	728	1,513
Purchased Property Services	842,817	570,371	534,986	35,385
Other Purchased Services	516,385	507,178	538,564	(31,386)
Supplies	95,000	108,500	107,806	694
Total Operation & Maintenance of Plant	3,193,957	2,951,051	2,941,795	9,256
<b>Other Support Services</b>				
Other	53,120	61,026	7,905	53,121
Total Other Support Services	53,120	61,026	7,905	53,121
<b>Community Services</b>				
Personnel Services	47,181	52,181	49,632	2,549
Employee Benefits	104,432	29,082	28,191	891
Professional & Tech Services	0	0	0	0
Supplies	0	350	294	56
Total Community Services	151,613	81,613	78,117	3,496
Total Expenditures	\$ 27,448,649	\$ 26,445,768	\$ 23,872,125	\$ 2,573,643

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (953,856)	\$ (895,683)	\$ 737,051	\$ 1,632,734
Cash Balance Beginning of Year	<u>1,319,452</u>	<u>1,319,452</u>	<u>1,319,452</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 365,596</u>	<u>\$ 423,769</u>	<u>\$ 2,056,503</u>	<u>\$ 1,632,734</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 737,051	
Net change in Taxes Receivable			36,892	
Net change in Accounts Payable			(19,438)	
Net change in Deferred Revenue			<u>856</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 755,361</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GENERAL FUND-TEACHERAGE-12000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$ 32,000	\$ 32,000	\$ 39,716	\$ 7,716
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>39,716</u>	<u>7,716</u>
<b>Expenditures</b>				
<b>Operation &amp; Maintenance of Plant</b>				
Purchased Property Services	27,500	24,660	4,335	20,325
Other Purchased Services	0	540	540	0
Supplies	3,500	2,600	0	2,600
Supply Assets	1,000	4,200	4,125	75
Total Operation & Maintenance of Plant	<u>32,000</u>	<u>32,000</u>	<u>9,000</u>	<u>23,000</u>
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>9,000</u>	<u>23,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	30,716	30,716
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,716</u>	<u>\$ 30,716</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 30,716</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 30,716</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GENERAL FUND-TRANSPORTATION-13000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 1,480,531	\$ 1,689,442	\$ 1,533,158	\$ (156,284)
Total Revenues	<u>1,480,531</u>	<u>1,689,442</u>	<u>1,533,158</u>	<u>(156,284)</u>
<b>Expenditures</b>				
<b>Pupil Transportation</b>				
Personnel Services	90,595	98,501	98,501	0
Employee Benefits	24,686	24,671	24,671	0
Professional & Tech Services	3,700	1,583	1,583	0
Purchased Property Services	157,200	387,213	230,013	157,200
Other Purchased Services	1,202,350	1,166,213	1,166,213	0
Supplies	2,000	11,241	11,241	0
Total Pupil Transportation	<u>1,480,531</u>	<u>1,689,422</u>	<u>1,532,222</u>	<u>157,200</u>
Total Expenditures	<u>1,480,531</u>	<u>1,689,422</u>	<u>1,532,222</u>	<u>157,200</u>
Excess (Deficiency) of Revenues Over Expenditures	0	20	936	916
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 20</u>	<u>\$ 936</u>	<u>\$ 916</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 936	
Net change in Accounts Payable			<u>(102)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 834</u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 135,026	\$ 159,146	\$ 147,846	\$ (11,300)
Total Revenues	<u>135,026</u>	<u>159,146</u>	<u>147,846</u>	<u>(11,300)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	135,026	232,453	164,872	67,581
Total Instruction	<u>135,026</u>	<u>232,453</u>	<u>164,872</u>	<u>67,581</u>
<b>Support Services-Instruction</b>				
Supplies	0	3,494	979	2,515
Total Support Services-Instruction	<u>0</u>	<u>3,494</u>	<u>979</u>	<u>2,515</u>
Total Expenditures	<u>135,026</u>	<u>235,947</u>	<u>165,851</u>	<u>70,096</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(76,801)	(18,005)	58,796
Cash Balance Beginning of Year	<u>76,801</u>	<u>76,801</u>	<u>76,801</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 76,801</u>	<u>\$ 0</u>	<u>\$ 58,796</u>	<u>\$ 58,796</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (18,005)	
Net change in Accounts Payable			108	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (17,897)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND- STATE FISCAL STABILIZATION PROGRAM FUND-25250  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 1,713,192	\$ 2,734,073	\$ 1,943,326	\$ (790,747)
Total Revenues	<u>1,713,192</u>	<u>2,734,073</u>	<u>1,943,326</u>	<u>(790,747)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,429,445	1,503,687	1,503,687	0
Employee Benefits	283,747	459,791	459,791	0
Total Instruction	<u>1,713,192</u>	<u>1,963,478</u>	<u>1,963,478</u>	<u>0</u>
<b>Support Services-Students</b>				
Personnel Services	0	157,246	157,246	0
Employee Benefits	0	459,791	49,900	409,891
Total Support Services-Students	<u>0</u>	<u>617,037</u>	<u>207,146</u>	<u>409,891</u>
<b>Support Services-Instruction</b>				
Personnel Services	0	69,162	69,162	0
Employee Benefits	0	29,905	29,905	0
Total Support Services-Instruction	<u>0</u>	<u>99,067</u>	<u>99,067</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Personnel Services	0	37,967	37,967	0
Employee Benefits	0	8,237	8,237	0
Total Support Services-School Administration	<u>0</u>	<u>46,204</u>	<u>46,204</u>	<u>0</u>
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	0	5,867	5,867	0
Employee Benefits	0	2,420	2,420	0
Total Operation & Maintenance of Plant	<u>0</u>	<u>8,287</u>	<u>8,287</u>	<u>0</u>
Total Expenditures	<u>1,713,192</u>	<u>2,734,073</u>	<u>2,324,182</u>	<u>409,891</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(380,856)	(380,856)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (380,856)</u>	<u>\$ (380,856)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (380,856)	
Net Change Due from Grantor			380,856	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
For the Year Ended June 30, 2010

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 914,262
Total Assets	<u>\$ 914,262</u>
Liabilities	
Deposits Held for Others	\$ 914,262
Total Liabilities	<u>\$ 914,262</u>

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

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

**Financial Reporting Entity**

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

***Governmental Funds***

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

***Fiduciary Fund Type***

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

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

**Major Funds**

The District reports the following major governmental funds:

**GENERAL FUND (11000)(12000)(13000)(14000)**

The General Fund consist of three sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

**SPECIAL REVENUE FUND**

**State Fiscal Stabilization Program Fund (25250)**

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

**CAPITAL PROJECT FUNDS**

**House Bill 33 (31600)**

To account for resources received through House Bill 33 and local tax levies obtained for the financing, construction and remodeling of various school buildings. Expenditures are restricted to Capital Improvements.

**Senate Bill Nine (31700)**

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

**Measurement Focus and Basis of Accounting**

***Government-Wide Financial Statements (GWFS)***

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

#### Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 3) program specific capital grants and contributions.

### ***Fund Financial Statements (FFS)***

#### Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

#### Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.

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2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function. Included in the 2000 function is sub-functions that can be over spent by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or



(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

#### Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

#### Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

#### Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

#### Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (per Section 12-6-10 NMSA1978) and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

Capital Leases

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

Long-Term Liabilities

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

Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

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

Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future periods.

#### Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

#### Deferred Revenue

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

#### Compensated Absences

After a non-certified employee has been with the District for a period of at least six months, the employee is entitled to a one-week paid vacation; when employed twelve months, the employee is entitled to a two week paid vacation accumulative to no more than 20 contract days. Vacation is to be scheduled at an appropriate time and approved by the supervisor. If an employee is discharged because of lack of work, and through no fault of the employee, the employee shall receive commensurate vacation pay.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

#### Estimates

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

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**NOTE B: DEPOSITS AND INVESTMENTS**

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

**First American Bank**

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	Type
Activity Fund	\$ 754,279	\$ 728,630	Checking
Activity Money Market	1,213	1,213	Savings
Cafeteria	42,303	42,139	Checking
Federal Project Fund	723,524	678,603	Checking
Capital Improvement	1,626,566	1,598,267	Checking
Special Building Fund HB 33	9,112,315	9,112,315	Checking
Operational Money Market	170,496	170,496	Savings
Artesia Public Schools-HB33	500,000	500,000	Savings
Artesia Public Schools-Activities	250,000	250,000	Savings
TOTAL Deposited	<u>13,180,696</u>	<u>\$ 13,081,663</u>	
Less: FDIC Coverage	<u>(12,508,987)</u>		
Uninsured Amount	671,709		
50% collateral requirement	335,855		
Pledged securities	<u>3,850,000</u>		
Over (Under) requirement	<u>\$ 3,514,146</u>		

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

The following securities are pledged at **First American Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
San Jan NM ISD Bond	798359HQ1	\$ 900,000	8/1/2018	Dallas, TX
Torrance ETC CO NM Bond	891400MP5	1,350,000	1/15/2017	Dallas, TX
Grant County, NM Bond	387766BV9	500,000	9/1/2016	Dallas, TX
Albuquerque NM School Bond	013595LM3	1,000,000	8/1/2022	Dallas, TX
Hobbs NM School Bond	433866CR9	100,000	7/15/2020	Dallas, TX
		<u>3,850,000</u>		
		<u>\$ 3,850,000</u>		

**Western Bank**

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	Type
Operational	\$ 4,390,447	\$ 767,213	Checking
Operational Money Market	46,079	46,079	Savings
Debt Service	877,746	877,746	Checking
TOTAL Deposited	<u>5,314,272</u>	<u>\$ 1,691,038</u>	
Less: FDIC Coverage	<u>(5,314,272)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

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**Artesia School Employees Credit Union**

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	Type
NMPSIA	\$ 1,696	\$ 0	Checking
ERB	6,586	0	Checking
TOTAL Deposited	<u>8,282</u>	<u>\$ 0</u>	
Less: FDIC Coverage	<u>(8,282)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	Bank Balance
Insured	\$ 17,831,541
Collateralized:	
Collateral held by the pledging bank in District's name	0
Uninsured and uncollateralized	671,709
Total Deposits	<u>\$ 18,503,250</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2010 \$671,709 of the District's bank balance of \$18,503,250 was exposed to custodial credit risk.

**NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>		
	State Fiscal Stabilization Program Fund	Non-Major Governmental Funds	Total
General Fund	\$ 380,856	\$ 195,572	\$ 576,428
Totals	<u>\$ 380,856</u>	<u>\$ 195,572</u>	<u>\$ 576,428</u>

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

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**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2010:

	<u>General</u>	<u>House Bill 33</u>	<u>Senate Bill Nine</u>	<u>Other Governmental</u>
Property Taxes Receivable:				
Available	\$ 39,724	\$ 360,323	\$ 159,221	\$ 37,748
Unavailable	21,248	20,433	86,425	29,434
TOTAL Property Taxes Receivable	<u>\$ 60,972</u>	<u>\$ 380,756</u>	<u>\$ 245,646</u>	<u>\$ 67,182</u>

**NOTE E: DUE FROM OTHER GOVERNMENT UNITS**

Amounts due from other agencies and units of government were as follows as of June 30, 2010:

Federal Agencies	\$ 522,422
State Agencies	54,308
Total	<u>\$ 576,730</u>

**NOTE F: DEFERRED REVENUES**

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2010:

	<u>General</u>	<u>House Bill 33</u>	<u>Senate Bill Nine</u>
Property Taxes	\$ 21,249	\$ 20,433	\$ 86,425
Federal Revenues	0	0	0
TOTAL Deferred Revenues	<u>\$ 21,249</u>	<u>\$ 20,433</u>	<u>\$ 86,425</u>

	<u>Other Governmental</u>	<u>Total</u>
Property Taxes	\$ 29,433	\$ 157,540
Federal Revenues	17,079	17,079
TOTAL Deferred Revenues	<u>\$ 46,512</u>	<u>\$ 174,619</u>

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**NOTE G: CAPITAL ASSETS**

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

	Balance 6/30/09	Increases	Decreases	Balance 6/30/10
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 2,031,305	\$ 0	\$ 0	\$ 2,031,305
Total Capital Assets not being Depreciated	<u>2,031,305</u>	<u>0</u>	<u>0</u>	<u>2,031,305</u>
Capital Assets, being Depreciated				
Buildings	66,135,751	3,160,972	0	69,296,723
Equipment	5,752,604	665,132	0	6,417,736
Total Capital Assets being Depreciated	<u>71,888,355</u>	<u>3,826,104</u>	<u>0</u>	<u>75,714,459</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	31,407,583	1,836,208	0	33,243,791
Equipment	4,109,886	1,117,994	0	5,227,880
Total Accumulated Depreciation	<u>35,517,469</u>	<u>2,954,202</u>	<u>0</u>	<u>38,471,671</u>
Capital Assets, net	<u>\$ 38,402,191</u>	<u>\$ 871,902</u>	<u>\$ 0</u>	<u>\$ 39,274,093</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 2,954,202
Total depreciation expenses	<u>\$ 2,954,202</u>

**NOTE H: LONG TERM DEBT**

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

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 3,635,000	\$ 0	\$ 835,000	\$ 2,800,000	\$ 840,000
Total Bonds	<u>3,635,000</u>	<u>0</u>	<u>835,000</u>	<u>2,800,000</u>	<u>840,000</u>
Other Liabilities					
Compensated					
Absences	70,931	153,370	68,113	156,188	156,188
Total Other Liabilities	<u>70,931</u>	<u>153,370</u>	<u>68,113</u>	<u>156,188</u>	<u>156,188</u>
Long-Term	<u>\$ 3,705,931</u>	<u>\$ 153,370</u>	<u>\$ 903,113</u>	<u>\$ 2,956,188</u>	<u>\$ 996,188</u>

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Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund.

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2003	10-17-03	\$ 6,595,000	5.127%-5.543%	\$ 2,800,000
				<u>\$ 2,800,000</u>

The annual requirements to amortize the 2003 Series general obligation bonds as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 840,000	\$ 74,433	\$ 914,433
2012	870,000	48,896	918,896
2013	900,000	20,919	920,919
2014	190,000	3,192	193,192
	<u>\$ 2,800,000</u>	<u>\$ 147,440</u>	<u>\$ 2,947,440</u>

Reconciliation of Long-Term Debt disclosed in Note H to the Long-Term Debt reported in the Statement of Net Assets.

Note H	\$ 2,800,000
Net Issue Costs/Premium/Discounts on Bond Issues	(45,634)
Statement of Net Assets	<u>\$ 2,754,366</u>
Long-Term Per Government Wide Financial Statements	\$ 1,914,366
Current Portion	840,000
Statement of Net Assets	<u>\$ 2,754,366</u>

**NOTE I: COMMITMENTS**

There are no construction commitments as of June 30, 2010.



**NOTE J: PENSION PLAN**

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

Effective July 1, 2009, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$4,110,349 \$3,970,801 and \$3,715,511 respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE K: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

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

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$394,842, \$397,614 and \$388,348 respectively, which equal the required contributions for each year.

**NOTE L: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS**

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

Reconciliations are located at the bottom of each budget actual.

**NOTE M: INSURANCE COVERAGE**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

**NOTE N: JOINT POWERS AGREEMENTS**

The Southeastern New Mexico Educational Resource Center was established in recognition of the need to compensate for the unique isolation of the school districts in southeastern New Mexico. The primary mission of the regional center is to provide resources to the school districts in Chaves, Eddy, and Lea Counties through the collaborative efforts of the eleven participating districts and three government agencies. Local businesses have also joined in this partnership by providing sponsorship to many of the programs developed by the partners. Southeastern New Mexico Educational Resource Center is not a legal entity since it was not properly formed through a joint powers agreement adopted by each participating school district.

A joint powers agreement was entered into between the Artesia Public Schools (District) and the New Mexico Human Services Department to participate in the Medicaid School-Based Services program.

The Human Services Department (HSD) shall oversee the provision of direct services in the Medicaid School Based Services program. The District shall identify the special education and related services needs of each IDEA-eligible child or youth, regardless of whether all services identified qualify for Medicaid reimbursement. The District will collaborate with local community health and human service providers to develop and implement a Collaborative Plan that identifies health needs with the community and outlines strategies to meet those needs.

The purpose of the program is provide Medicaid reimbursable services to Medicaid eligible children.

The agreement became effective February 28, 2005 and remains in effect until terminated by the parties pursuant to the terms of the agreement.

The Human Services Department will reimburse the District for administrative costs in an amount not to exceed \$60,000 for each fiscal year.

The total expenditures for the year ending June 30, 2010 were \$152,137.

The District and HSD shall maintain fiscal records, as required by applicable federal and state laws and regulations. The District shall provide copies of such reports to HSD when requested, in accordance with the requirements of the Medicaid Provider Participation Agreement. The District has the audit responsibility for the revenues and expenditures at the District.

**NOTE O: SURETY BOND**

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 CAPITAL PROJECT FUND-HOUSE BILL 33-31600  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Non-GAAP-Budgetary Basis)  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 7,452,834	\$ 6,622,834	\$ 5,877,043	\$ (745,791)
Interest Income	17,938	19,738	16,977	(2,761)
Total Revenues	<u>7,470,772</u>	<u>6,642,572</u>	<u>5,894,020</u>	<u>(748,552)</u>
<b>Expenditures</b>				
Support Services General Administration				
Professional & Tech Services	17,938	79,738	19,725	60,013
Total Support Services General Administration	<u>17,938</u>	<u>79,738</u>	<u>19,725</u>	<u>60,013</u>
<b>Capital Outlay</b>				
Building Improvements	7,452,834	6,622,834	2,785,063	3,837,771
Land Improvements	2,500,000	2,768,200	55,111	2,713,089
Building Purchases	0	285,000	281,055	3,945
Fixed Assets	150,000	425,000	342,135	82,865
Supply Assets	785,500	785,500	102,039	683,461
Total Capital Outlay	<u>10,888,334</u>	<u>10,886,534</u>	<u>3,565,403</u>	<u>7,321,131</u>
Total Expenditures	<u>10,906,272</u>	<u>10,966,272</u>	<u>3,585,128</u>	<u>7,381,144</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,435,500)	(4,323,700)	2,308,892	6,632,592
Cash Balance Beginning of Year	<u>7,303,423</u>	<u>7,303,423</u>	<u>7,303,423</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,867,923</u>	<u>\$ 2,979,723</u>	<u>\$ 9,612,315</u>	<u>\$ 6,632,592</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,308,892	
Net change in Taxes Receivable			133,347	
Net change in Deferred Revenue			208,612	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,650,851</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Non-GAAP-Budgetary Basis)  
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 2,215,515	\$ 2,215,515	\$ 2,629,439	\$ 413,924
Interest Income	1,500	1,500	2,179	679
State Grant	0	0	61,581	61,581
Miscellaneous	0	0	32,050	32,050
Total Revenues	<u>2,217,015</u>	<u>2,217,015</u>	<u>2,725,249</u>	<u>508,234</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>478,850</u>	<u>550,350</u>	<u>550,341</u>	<u>9</u>
Total Instruction	<u>478,850</u>	<u>550,350</u>	<u>550,341</u>	<u>9</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>8,355</u>	<u>10,676</u>	<u>10,676</u>	<u>0</u>
Total Support Services-General Administration	<u>8,355</u>	<u>10,676</u>	<u>10,676</u>	<u>0</u>
<b>Operation &amp; Maintenance of Plant</b>				
Maintenance & Repairs	1,200,000	1,185,000	1,105,828	79,172
Supplies	<u>766,000</u>	<u>748,679</u>	<u>425,650</u>	<u>323,029</u>
Total Operation & Maintenance of Plant	<u>1,966,000</u>	<u>1,933,679</u>	<u>1,531,478</u>	<u>402,201</u>
<b>Capital Outlay</b>				
Land Improvements	200,000	200,000	39,742	160,258
Vehicles	150,992	199,900	137,170	62,730
Fixed Assets	<u>210,000</u>	<u>198,500</u>	<u>185,828</u>	<u>12,672</u>
Total Capital Outlay	<u>560,992</u>	<u>598,400</u>	<u>362,740</u>	<u>235,660</u>
Total Expenditures	<u>3,014,197</u>	<u>3,093,105</u>	<u>2,455,235</u>	<u>637,870</u>
Excess (Deficiency) of Revenues Over Expenditures	(797,182)	(876,090)	270,014	1,146,104
Cash Balance Beginning of Year	<u>1,280,914</u>	<u>1,280,914</u>	<u>1,280,914</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 483,732</u>	<u>\$ 404,824</u>	<u>\$ 1,550,928</u>	<u>\$ 1,146,104</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 270,014	
Net change in Taxes Receivable			157,028	
Net change in Accounts Payable			(33,864)	
Net change in Deferred Revenue			2,193	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 395,371</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**



**NONMAJOR SPECIAL REVENUE FUNDS**

**Food Service (21000).** To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

**Athletics (22000).** To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

**Title I (24101)** To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

**Title I Migrant (24103).** To account for a program funded by a federal grant whose purpose is to implement school wide bilingual education programs of special alternative instruction programs to improve, reform and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency in local educational agencies with significant concentrations of such children and youth. The fund was created by the authority of federal grant provisions. (Title VII, Section 7115 of the ESEA (20USC 7425)).

**IDEA B, Entitlement (24106).** To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

**IDEA Preschool (24109).** To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

**Enhancing Education Through Technology (24133).** To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

**Title V (24150).** To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

**Title III (24153).** To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

**NONMAJOR SPECIAL REVENUE FUNDS**

**Teacher/Principal Training & Recruiting (24154).** To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

**Title IV (24157).** To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act , Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

**Rural Low Income (24160)** To account for a federal grant to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The grant is authorized by the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

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

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

**IDEA Preschool Recovery Act (24209).** To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding these programs are authorized under the Individuals with Disabilities Education Act, Part B (IDEA-B) as amended on December 3, 2004 (Pub. L. No. 108-446; 20 USC 1400 et seq.) and ARRA. Implementing regulations for these programs are 34 CFR part 300. The fund was created by the authority of federal grant provisions.

**School Lunch Equipment Recovery Act (24218).** To account for a program funded by a Federal grant to assist the District in providing equipment for the food service program. The fund was created by the authority of federal grant provisions.

**GRADS Childcare (25149).** To account for funds received from New Mexico Department of Health for the Graduation and Dual Skills (GRADS) program for pregnant and parenting skills. The fund was created by state grant provisions.

**Title XIX Medicaid (25153).** To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

#### **NONMAJOR SPECIAL REVENUE FUNDS**

**GRADS (25162).** To provide grants to States or Territories to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The fund was created by state grant provisions.

**Dual Credit Instructional Materials (27103).** To provide funding to the District to purchase college books for students attending college classes and obtaining dual credits. The fund was created by grant provisions.

**Library GO Bond (27105).** To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

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

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

**Family & Youth (27140).** To account for revenues and expenditures from Family Education Rights & Privacy Act (FERPA) to provide a social worker with a classroom, computers and other supplies in order to help students and their parents with counseling services. The fund was created by State Grant provisions (NMSA22-13 A-7).

**Beginning Teacher Mentoring Program (27154).** To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eight. The fund was created by state grant provisions.

**Classroom Breakfast (27155).** To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

**School in Need of Improvement (27163).** To account for revenues and expenditures from a state grant to improve the District's academic performance of the students. The fund was created by state grant provisions.

**School Improvement (27164).** Funds provided by the NM PED to purchase access to a Alpine Achievement to allow better analysis of NM Standards Based Assessment data.

**Library Go Bonds (27170).** To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

**NONMAJOR SPECIAL REVENUE FUNDS**

**Library Books (27549).** To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

**NON-MAJOR DEBT SERVICE FUND**

**Debt Service (41000)**

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to debt reduction.

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 42,139	\$ 65,582	\$ 6,542
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	4,535	0	0
Total Assets	<u>46,674</u>	<u>65,582</u>	<u>6,542</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	0	2,198	0
Deferred Revenue	0	0	6,542
Total Liabilities	<u>0</u>	<u>2,198</u>	<u>6,542</u>
Fund Balance			
Reserved for			
Inventory	4,535	0	0
Special Revenue Funds	42,139	63,384	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>46,674</u>	<u>63,384</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 46,674</u>	<u>\$ 65,582</u>	<u>\$ 6,542</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Title I Migrant 24103	IDEA B Entitlement 24106	IDEA Preschool 24109
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,327	\$ 0	\$ 6,059
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	28,351	0
Inventory	0	0	0
Total Assets	<u>2,327</u>	<u>28,351</u>	<u>6,059</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	28,049	0
Accounts Payable	0	302	0
Deferred Revenue	2,327	0	6,059
Total Liabilities	<u>2,327</u>	<u>28,351</u>	<u>6,059</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,327</u>	<u>\$ 28,351</u>	<u>\$ 6,059</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Enhancing Education Through Technology 24133	Title V 24150	Title III 24153
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,151	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	1	384
Inventory	0	0	0
Total Assets	<u>2,151</u>	<u>1</u>	<u>384</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	1	384
Accounts Payable	0	0	0
Deferred Revenue	2,151	0	0
Total Liabilities	<u>2,151</u>	<u>1</u>	<u>384</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,151</u>	<u>\$ 1</u>	<u>\$ 384</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Teacher/ Principal Training & Recruiting 24154	Title IV 24157	Rural Low Income 24160
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	69,893	170	31,170
Inventory	0	0	0
Total Assets	<u>69,893</u>	<u>170</u>	<u>31,170</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	69,893	170	31,170
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>69,893</u>	<u>170</u>	<u>31,170</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 69,893</u>	<u>\$ 170</u>	<u>\$ 31,170</u>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Title I	IDEA B	IDEA
	Recovery Act 24201	Recovery Act 24206	Preschool Recovery Act 24209
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	3,450	7,715	432
Inventory	0	0	0
Total Assets	<u>3,450</u>	<u>7,715</u>	<u>432</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	3,450	7,715	432
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>3,450</u>	<u>7,715</u>	<u>432</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,450</u>	<u>\$ 7,715</u>	<u>\$ 432</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	School Lunch Equipment Recovery Act 24218	Grads Childcare 25149	Title XIX Medicaid 25153
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 72,787
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>0</u>	<u>0</u>	<u>72,787</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	72,787
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>72,787</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,787</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Grads	Duel Credits Instructional Materials	Library GO Bonds
	25162	27103	27105
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	21,281
Inventory	0	0	0
Total Assets	<u>0</u>	<u>0</u>	<u>21,281</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	21,281
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>21,281</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,281</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Technology For Education 27117	Incentives For School Improvement 27138	Family & Youth 27140
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 38,958	\$ 8,195	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	9,237
Inventory	0	0	0
Total Assets	<u>38,958</u>	<u>8,195</u>	<u>9,237</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	9,237
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>9,237</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	38,958	8,195	0
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>38,958</u>	<u>8,195</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 38,958</u>	<u>\$ 8,195</u>	<u>\$ 9,237</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	Beginning Teacher Mentoring Program <u>27154</u>	Classroom Breakfast <u>27155</u>	School in Need of Improvement <u>27163</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,165	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	22,736
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>1,165</u></u>	<u><u>0</u></u>	<u><u>22,736</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	22,736
Accounts Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>22,736</u></u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	1,165	0	0
Retirement of Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>1,165</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 1,165</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 22,736</u></u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds		
	School Improvement 27164	GO Library Bonds 27170	Library Books 27549
	<u>27164</u>	<u>27170</u>	<u>27549</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 1,022
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	1,054	0
Inventory	0	0	0
Total Assets	<u>0</u>	<u>1,054</u>	<u>1,022</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	1,054	0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>1,054</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	1,022
Retirement of Long-Term Debt	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>1,022</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,054</u>	<u>\$ 1,022</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2010

	Debt Service 41000	Total
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 877,746	\$ 1,124,673
Receivables		
Property Taxes	67,181	67,181
Due From Grantor	0	195,874
Inventory	0	4,535
Total Assets	<u>944,927</u>	<u>1,392,263</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Interfund Balances	0	195,572
Accounts Payable	0	2,500
Deferred Revenue	29,433	46,512
Total Liabilities	<u>29,433</u>	<u>244,584</u>
Fund Balance		
Reserved for		
Inventory	0	4,535
Special Revenue Funds	0	227,650
Retirement of Long-Term Debt	915,494	915,494
Total Fund Balance	<u>915,494</u>	<u>1,147,679</u>
Total Liabilities and Fund Balance	<u>\$ 944,927</u>	<u>\$ 1,392,263</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	269	247	0
Fees	420,217	165,190	0
State & Local Grants	0	0	0
Federal Grants	917,737	0	695,109
Miscellaneous	3,325	0	0
Total Revenues	<u>1,341,548</u>	<u>165,437</u>	<u>695,109</u>
<b>Expenditures</b>			
Current			
Instruction	0	194,986	504,225
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	14,155
Support Service-School Administration	0	0	176,729
Community Service	0	0	0
Food Services	1,332,424	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,332,424</u>	<u>194,986</u>	<u>695,109</u>
Excess (Deficiency) of Revenues Over Expenditures	9,124	(29,549)	0
Fund Balances at Beginning of Year	<u>37,550</u>	<u>92,933</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 46,674</u>	<u>\$ 63,384</u>	<u>\$ 0</u>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Title I Migrant 24103	IDEA B Entitlement 24106	IDEA Preschool 24109
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	688,569	33,553
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>688,569</u>	<u>33,553</u>
<b>Expenditures</b>			
Current			
Instruction	0	390,378	33,553
Support Service-Students	0	149,687	0
Support Service-Instruction	0	1,321	0
Support Service-General Administration	0	13,297	0
Support Service-School Administration	0	133,886	0
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>688,569</u>	<u>33,553</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Enhancing Education Through Technology 24133	Title V 24150	Title III 24153
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	43,835	0	20,819
Miscellaneous	0	0	0
Total Revenues	<u>43,835</u>	<u>0</u>	<u>20,819</u>
<b>Expenditures</b>			
Current			
Instruction	8,234	0	20,098
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	784	0	402
Support Service-School Administration	34,817	0	319
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>43,835</u>	<u>0</u>	<u>20,819</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Teacher/ Principal Training & Recruiting 24154	Title IV 24157	Rural Low Income 24160
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	224,751	13,389	0
Miscellaneous	0	0	0
Total Revenues	<u>224,751</u>	<u>13,389</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	210,094	0	0
Support Service-Students	1,267	13,130	0
Support Service-Instruction	0	0	0
Support Service-General Administration	5,564	259	0
Support Service-School Administration	7,826	0	0
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>224,751</u>	<u>13,389</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Title I	IDEA B	IDEA
	Recovery Act 24201	Recovery Act 24206	Preschool Recovery Act 24209
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	132,143	870,623	22,368
Miscellaneous	0	0	0
Total Revenues	<u>132,143</u>	<u>870,623</u>	<u>22,368</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	129,490	493,378	21,936
Support Service-Students	0	360,418	0
Support Service-Instruction	0	0	0
Support Service-General Administration	2,553	16,827	432
Support Service-School Administration	100	0	0
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>132,143</u>	<u>870,623</u>	<u>22,368</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	School Lunch Equipment Recovery Act 24218	Grads Childcare 25149	Title XIX Medicaid 25153
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	122,910
State & Local Grants	0	0	0
Federal Grants	6,846	3,500	0
Miscellaneous	0	0	0
Total Revenues	<u>6,846</u>	<u>3,500</u>	<u>122,910</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	0
Support Service-Students	0	0	143,232
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	2,939
Support Service-School Administration	0	0	5,966
Community Service	0	3,500	0
Food Services	6,846	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>6,846</u>	<u>3,500</u>	<u>152,137</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(29,227)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>102,014</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,787</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Grads	Duel Credits Instructional Materials	Library GO Bonds
	25162	27103	27105
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	4,791	31,481
Federal Grants	7,500	0	0
Miscellaneous	0	0	0
Total Revenues	<u>7,500</u>	<u>4,791</u>	<u>31,481</u>
<b>Expenditures</b>			
Current			
Instruction	7,500	4,791	0
Support Service-Students	0	0	0
Support Service-Instruction	0	0	31,481
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service		0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>7,500</u>	<u>4,791</u>	<u>31,481</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Technology For Education 27117	Incentives For School Improvement 27138	Family & Youth 27140
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	24,314	0	19,210
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>24,314</u>	<u>0</u>	<u>19,210</u>
<b>Expenditures</b>			
Current			
Instruction	30,354	0	0
Support Service-Students	0	0	19,210
Support Service-Instruction	0	0	0
Support Service-General Administration	13,703	0	0
Support Service-School Administration	726	0	0
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>44,783</u>	<u>0</u>	<u>19,210</u>
Excess (Deficiency) of Revenues Over Expenditures	(20,469)	0	0
Fund Balances at Beginning of Year	<u>59,427</u>	<u>8,195</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 38,958</u>	<u>\$ 8,195</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Beginning Teacher Mentoring Program 27154	Classroom Breakfast 27155	School in Need of Improvement 27163
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	4,271	13,663	60,027
Federal Grants	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>4,271</b>	<b>13,663</b>	<b>60,027</b>
<b>Expenditures</b>			
Current			
Instruction	3,729	0	60,027
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Community Service	0	0	0
Food Services	0	13,663	0
Capital Outlay	0	0	0
Debt Service	0	0	0
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>3,729</b>	<b>13,663</b>	<b>60,027</b>
Excess (Deficiency) of Revenues Over Expenditures	542	0	0
Fund Balances at Beginning of Year	623	0	0
Fund Balance End of Year	\$ 1,165	\$ 0	\$ 0

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

	Special Revenue Funds		
	School Improvement 27164	GO Library Bonds 27170	Library Books 27549
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	5,892	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>5,892</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	0
Support Service-Students	0	0	0
Support Service-Instruction	0	5,892	9,840
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Community Service	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>5,892</u>	<u>9,840</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,840)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>10,862</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,022</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2010

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	Debt Service 41000	Total
Revenues		
Property Taxes	\$ 728,129	\$ 728,129
Interest Income	1,759	2,275
Fees	0	708,317
State & Local Grants	0	163,649
Federal Grants	0	3,680,742
Miscellaneous	0	3,325
Total Revenues	<u>729,888</u>	<u>5,286,437</u>
Expenditures		
Current		
Instruction	0	2,112,773
Support Service-Students	0	686,944
Support Service-Instruction	0	48,534
Support Service-General Administration	2,091	73,006
Support Service-School Administration	0	360,369
Community Service	0	3,500
Food Services	0	1,352,933
Capital Outlay	0	0
Debt Service		
Principal	835,000	835,000
Interest	97,217	97,217
Total Expenditures	<u>934,308</u>	<u>5,570,276</u>
Excess (Deficiency) of Revenues Over Expenditures	(204,420)	(283,839)
Fund Balances at Beginning of Year	<u>1,119,914</u>	<u>1,431,518</u>
Fund Balance End of Year	<u>\$ 915,494</u>	<u>\$ 1,147,679</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-FOOD SERVICE-21000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 275	\$ 275	\$ 269	\$ (6)
Fees	536,884	536,884	420,217	(116,667)
Federal Grant	807,907	801,907	865,885	63,978
Miscellaneous	0	0	3,325	3,325
Total Revenues	<u>1,345,066</u>	<u>1,339,066</u>	<u>1,289,696</u>	<u>(49,370)</u>
<b>Expenditures</b>				
<b>Food Services</b>				
Personnel Services	398,744	415,624	414,031	1,593
Employee Benefits	194,137	195,422	168,012	27,410
Professional & Tech Services	3,020	3,882	3,473	409
Other Purchased Services	2,775	4,200	4,130	70
Supplies	740,390	719,918	689,355	30,563
Total Food Services	<u>1,339,066</u>	<u>1,339,046</u>	<u>1,279,001</u>	<u>60,045</u>
Total Expenditures	<u>1,339,066</u>	<u>1,339,046</u>	<u>1,279,001</u>	<u>60,045</u>
Excess (Deficiency) of Revenues Over Expenditures	6,000	20	10,695	10,675
Cash Balance Beginning of Year	<u>31,444</u>	<u>31,444</u>	<u>31,444</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 37,444</u>	<u>\$ 31,464</u>	<u>\$ 42,139</u>	<u>\$ 10,675</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Fund Balance			\$ 10,695	
Net Change in Inventory			<u>(1,571)</u>	
Net Change in Cash Balance			<u>\$ 9,124</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-ATHLETICS-22000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 450	\$ 450	\$ 247	\$ (203)
Fees	175,000	175,000	165,190	(9,810)
Total Revenues	<u>175,450</u>	<u>175,450</u>	<u>165,437</u>	<u>(10,013)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	75,446	65,735	64,991	744
Employee Benefits	9,644	12,744	9,702	3,042
Professional & Tech Services	70,947	66,815	33,583	33,232
Other Purchased Services	65,990	63,190	43,219	19,971
Supplies	46,457	60,000	41,394	18,606
Total Instruction	<u>268,484</u>	<u>268,484</u>	<u>192,889</u>	<u>75,595</u>
Total Expenditures	<u>268,484</u>	<u>268,484</u>	<u>192,889</u>	<u>75,595</u>
Excess (Deficiency) of Revenues Over Expenditures	(93,034)	(93,034)	(27,452)	65,582
Cash Balance Beginning of Year	<u>93,034</u>	<u>93,034</u>	<u>93,034</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65,582</u>	<u>\$ 65,582</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (27,452)	
Net Change in Accounts Payable			<u>(2,097)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (29,549)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TITLE I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 780,307	\$ 816,644	\$ 695,110	\$ (121,534)
Total Revenues	<u>780,307</u>	<u>816,644</u>	<u>695,110</u>	<u>(121,534)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	448,850	453,346	408,004	45,342
Employee Benefits	160,730	160,734	123,905	36,829
Other Purchased Services	16,235	34,008	2,353	31,655
Supplies	2,500	13,918	7,851	6,067
Total Instruction	<u>628,315</u>	<u>662,006</u>	<u>542,113</u>	<u>119,893</u>
<b>Support Services-General Administration</b>				
Other Purchased Services	16,490	17,135	14,155	2,980
Total Support Services-General Administration	<u>16,490</u>	<u>17,135</u>	<u>14,155</u>	<u>2,980</u>
<b>Support Services-School Administration</b>				
Personnel Services	13,580	135,380	134,588	792
Employee Benefits	41,750	42,250	40,030	2,220
Professional & Tech Services	1,000	3,000	1,385	1,615
Other Purchased Services	500	500	407	93
Supplies	500	500	17	483
Total Support Services-School Administration	<u>57,330</u>	<u>181,630</u>	<u>176,427</u>	<u>5,203</u>
Total Expenditures	<u>702,135</u>	<u>860,771</u>	<u>732,695</u>	<u>128,076</u>
Excess (Deficiency) of Revenues Over Expenditures	78,172	(44,127)	(37,585)	6,542
Cash Balance Beginning of Year	<u>44,127</u>	<u>44,127</u>	<u>44,127</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 122,299</u>	<u>\$ 0</u>	<u>\$ 6,542</u>	<u>\$ 6,542</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (37,585)	
Net change in Due from Grantor			44,128	
Net change in Accounts Payables			(303)	
Net change in Deferred Revenue			(6,240)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TITLE I MIGRANT-24103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>2,327</u>	<u>2,327</u>	<u>2,327</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,327</u>	<u>\$ 2,327</u>	<u>\$ 2,327</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-IDEA B, ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 807,036	\$ 884,987	\$ 655,814	\$ (229,173)
Total Revenues	<u>807,036</u>	<u>884,987</u>	<u>655,814</u>	<u>(229,173)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	297,000	300,000	272,403	27,597
Employee Benefits	129,387	129,387	106,255	23,132
Professional & Tech Services	4,000	2,936	1,701	1,235
Other Purchased Services	4,104	7,168	7,168	0
Supplies	6,000	6,000	2,750	3,250
Total Instruction	<u>440,491</u>	<u>445,491</u>	<u>390,277</u>	<u>55,214</u>
<b>Support Services-Students</b>				
Personnel Services	92,854	130,349	88,060	42,289
Employee Benefits	28,317	35,040	25,204	9,836
Professional & Tech Services	42,000	42,000	29,750	12,250
Other Purchased Services	1,000	1,000	0	1,000
Supplies	21,800	21,800	6,673	15,127
Total Support Services-Students	<u>185,971</u>	<u>230,189</u>	<u>149,687</u>	<u>80,502</u>
<b>Support Services-Instruction</b>				
Professional & Tech Services	1,850	1,850	1,294	556
Supplies	3,200	3,200	0	3,200
Total Support Services-Instruction	<u>5,050</u>	<u>5,050</u>	<u>1,294</u>	<u>3,756</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	14,986	16,719	13,297	3,422
Total Support Services- General Administration	<u>\$ 14,986</u>	<u>\$ 16,719</u>	<u>\$ 13,297</u>	<u>\$ 3,422</u>

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-IDEA B, ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 105,550	\$ 121,340	\$ 88,955	\$ 32,385
Employee Benefits	41,590	42,400	32,129	10,271
Professional & Tech Services	3,400	7,700	1,376	6,324
Other Purchased Services	1,900	5,000	262	4,738
Supplies	12,500	15,500	10,988	4,512
Total Support Services-School Administration	<u>164,940</u>	<u>191,940</u>	<u>133,710</u>	<u>58,230</u>
Total Expenditures	<u>811,438</u>	<u>889,389</u>	<u>688,265</u>	<u>201,124</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,402)	(4,402)	(32,451)	(28,049)
Cash Balance Beginning of Year	<u>4,402</u>	<u>4,402</u>	<u>4,402</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (28,049)</u>	<u>\$ (28,049)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (32,451)	
Net Change in Due from Grantor			28,351	
Net Change in Accounts Payable			(302)	
Net Change in Deferred Revenue			4,402	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 38,288	\$ 45,291	\$ 39,679	\$ (5,612)
Total Revenues	<u>38,288</u>	<u>45,291</u>	<u>39,679</u>	<u>(5,612)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personal Services	7,400	11,300	11,065	235
Employee Benefits	1,683	1,683	1,221	462
Other Purchased Services	3,500	100	0	100
Supplies	1,500	956	912	44
Total Instruction	<u>14,083</u>	<u>14,039</u>	<u>13,198</u>	<u>841</u>
<b>Support Services-Students</b>				
Employee Benefits	1,650	1,650	1,645	5
Total Support Services-Students	<u>1,650</u>	<u>1,650</u>	<u>1,645</u>	<u>5</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	841	1,000	789	211
Total Support Services-General Administration	<u>841</u>	<u>1,000</u>	<u>789</u>	<u>211</u>
<b>Support Services-School Administration</b>				
Personnel Services	20,095	28,633	19,983	8,650
Employee Bennefits	8,828	7,178	5,214	1,964
Total Suupport Services-School Administration	<u>28,923</u>	<u>35,811</u>	<u>25,197</u>	<u>10,614</u>
Total Expenditures	<u>45,497</u>	<u>52,500</u>	<u>40,829</u>	<u>11,671</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,209)	(7,209)	(1,150)	6,059
Cash Balance Beginning of Year	<u>7,209</u>	<u>7,209</u>	<u>7,209</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,059</u>	<u>\$ 6,059</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,150)	
Net change in Due from Grantor			<u>1,150</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-ENHANCING EDUCATION THROUGH TECHNOLOGY-24133  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Service-Instruction				
Supply Assets	0	0	0	0
Total Support Service-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>2,151</u>	<u>2,151</u>	<u>2,151</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,151</u>	<u>\$ 2,151</u>	<u>\$ 2,151</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TITLE V-24150  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 1	\$ 1	\$ 0	\$ (1)
Total Revenues	<u>1</u>	<u>1</u>	<u>0</u>	<u>(1)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1	1	0	(1)
Cash Balance Beginning of Year	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1)</u>	<u>\$ (1)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-Title III-24153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 698	\$ 28,709	\$ 21,133	\$ (7,576)
Total Revenues	<u>698</u>	<u>28,709</u>	<u>21,133</u>	<u>(7,576)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	3,100	3,100	0
Employee Benefits	0	900	900	0
Professional & Tech Services	0	5,219	448	4,771
Purchased Services	0	500	227	273
Supplies	0	16,580	15,423	1,157
Total Instruction	<u>0</u>	<u>26,299</u>	<u>20,098</u>	<u>6,201</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	563	402	161
Total Support Services-General Administration	<u>0</u>	<u>563</u>	<u>402</u>	<u>161</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	0	672	290	382
Purchased Services	0	477	29	448
Total Support Services-School Administration	<u>0</u>	<u>1,149</u>	<u>319</u>	<u>830</u>
Total Expenditures	<u>0</u>	<u>28,011</u>	<u>20,819</u>	<u>7,192</u>
Excess (Deficiency) of Revenues Over Expenditures	698	698	314	(384)
Cash Balance Beginning of Year	<u>(698)</u>	<u>(698)</u>	<u>(698)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (384)</u>	<u>\$ (384)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 314	
Net change in Due from Grantor			<u>(314)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING & RECRUITING-24154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 223,510	\$ 229,963	\$ 159,774	\$ (70,189)
Total Revenues	<u>223,510</u>	<u>229,963</u>	<u>159,774</u>	<u>(70,189)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	148,733	158,345	158,345	0
Employee Benefits	47,216	44,649	44,649	0
Professional & Tech Services	4,021	2,413	2,413	0
Other Purchased Services	2,000	0	0	0
Supplies	8,124	4,687	4,687	0
Total Instruction	<u>210,094</u>	<u>210,094</u>	<u>210,094</u>	<u>0</u>
<b>Support Services-Students</b>				
Professional & Tech Services	0	1,267	1,267	0
Support Services-Students	<u>0</u>	<u>1,267</u>	<u>1,267</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	7,500	5,722	5,564	158
Total Support Services-General Administration	<u>7,500</u>	<u>5,722</u>	<u>5,564</u>	<u>158</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	1,000	7,964	7,826	138
Total Support Services-School Administration	<u>1,000</u>	<u>7,964</u>	<u>7,826</u>	<u>138</u>
Total Expenditures	<u>218,594</u>	<u>225,047</u>	<u>224,751</u>	<u>296</u>
Excess (Deficiency) of Revenues Over Expenditures	4,916	4,916	(64,977)	(69,893)
Cash Balance Beginning of Year	<u>(4,916)</u>	<u>(4,916)</u>	<u>(4,916)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (69,893)</u>	<u>\$ (69,893)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (64,977)	
Net change in Due from Grantor			64,977	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TITLE IV-24157  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 14,923	\$ 13,606	\$ 13,370	\$ (236)
Total Revenues	<u>14,923</u>	<u>13,606</u>	<u>13,370</u>	<u>(236)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	10,107	10,949	9,436	1,513
Employee Benefits	4,297	2,138	3,651	(1,513)
Professional & Tech Services	0	0	0	0
Other Purchased Services	100	100	43	57
Total Support Services-Students	<u>14,504</u>	<u>13,187</u>	<u>13,130</u>	<u>57</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	268	268	259	9
Total Support Services-General Administration	<u>268</u>	<u>268</u>	<u>259</u>	<u>9</u>
Total Expenditures	<u>14,772</u>	<u>13,455</u>	<u>13,389</u>	<u>66</u>
Excess (Deficiency) of Revenues Over Expenditures	151	151	(19)	(170)
Cash Balance Beginning of Year	<u>(151)</u>	<u>(151)</u>	<u>(151)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (170)</u>	<u>\$ (170)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (19)	
Due from Grantor			19	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-RURAL LOW INCOME-24160  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 77,837	\$ 77,837	\$ 46,667	\$ (31,170)
Total Revenues	<u>77,837</u>	<u>77,837</u>	<u>46,667</u>	<u>(31,170)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Professional & Tech Services	0	0	0	0
Other Purchased Services	0	0	0	0
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	77,837	77,837	46,667	(31,170)
Cash Balance Beginning of Year	<u>(77,837)</u>	<u>(77,837)</u>	<u>(77,837)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(31,170)</u>	\$ <u>(31,170)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 46,667	
Net change in Due from Grantor			<u>(46,667)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TITLE I-RECOVERY ACT-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 151,511	\$ 335,868	\$ 236,063	\$ (99,805)
Total Revenues	<u>151,511</u>	<u>335,868</u>	<u>236,063</u>	<u>(99,805)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	33,375	165,143	96,873	68,270
Employee Benefits	6,625	50,657	25,623	25,034
Supplies	2,781	7,581	6,994	587
Total Instruction	<u>42,781</u>	<u>223,381</u>	<u>129,490</u>	<u>93,891</u>
<b>Support Services-General Administration</b>				
Other Purchased Services	0	3,757	2,553	1,204
Total Support Services-General Administration	<u>0</u>	<u>3,757</u>	<u>2,553</u>	<u>1,204</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	1,360	1,360	100	1,260
Total Support Services-School Administration	<u>1,360</u>	<u>1,360</u>	<u>100</u>	<u>1,260</u>
Total Expenditures	<u>44,141</u>	<u>228,498</u>	<u>132,143</u>	<u>96,355</u>
Excess (Deficiency) of Revenues Over Expenditures	107,370	107,370	103,920	(3,450)
Cash Balance Beginning of Year	<u>(107,370)</u>	<u>(107,370)</u>	<u>(107,370)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,450)</u>	<u>\$ (3,450)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 103,920	
Net change in Due from Grantor			(103,920)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-IDEA B, ENTITLEMENT RECOVERY ACT-24206  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 49,912	\$ 956,762	\$ 913,192	\$ (43,570)
Total Revenues	<u>49,912</u>	<u>956,762</u>	<u>913,192</u>	<u>(43,570)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	250,235	262,800	(12,565)
Employee Benefits	0	80,004	75,142	4,862
Supply Assets	0	163,143	155,436	7,707
Total Instruction	<u>0</u>	<u>493,382</u>	<u>493,378</u>	<u>4</u>
<b>Support Services-Students</b>				
Supplies	0	68,537	68,537	0
Supply Assets	0	322,103	292,253	29,850
Total Support Services-Students	<u>0</u>	<u>390,640</u>	<u>360,790</u>	<u>29,850</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	16,828	16,827	1
Total Support Services-General Administration	<u>0</u>	<u>16,828</u>	<u>16,827</u>	<u>1</u>
<b>Support Services-School Administration</b>				
Supply Assets	0	6,000	0	6,000
Total Support Services-School Administration	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Total Expenditures	<u>0</u>	<u>906,850</u>	<u>870,995</u>	<u>35,855</u>
Excess (Deficiency) of Revenues Over Expenditures	49,912	49,912	42,197	(7,715)
Cash Balance Beginning of Year	<u>(49,912)</u>	<u>(49,912)</u>	<u>(49,912)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,715)</u>	<u>\$ (7,715)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 42,197	
Net change in Due from Grantor			(42,568)	
Net change in Accounts Payable			371	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-IDEA PRESCHOOL RECOVERY ACT-24209  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 26,060	\$ 21,936	\$ (4,124)
Total Revenues	<u>0</u>	<u>26,060</u>	<u>21,936</u>	<u>(4,124)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	10,655	10,632	23
Employee Benefits	0	4,772	4,688	84
Supply Assets	0	10,000	6,616	3,384
Total Instruction	<u>0</u>	<u>25,427</u>	<u>21,936</u>	<u>3,491</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	633	432	201
Total Support Services-General Administration	<u>0</u>	<u>633</u>	<u>432</u>	<u>201</u>
Total Expenditures	<u>0</u>	<u>26,060</u>	<u>22,368</u>	<u>3,692</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(432)	(432)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (432)</u>	<u>\$ (432)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (432)	
Net change in Due from Grantor			<u>432</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-SCHOOL LUNCH EQUIPMENT RECOVERY ACT-24218  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 7,665	\$ 6,846	\$ (819)
Total Revenues	<u>0</u>	<u>7,665</u>	<u>6,846</u>	<u>(819)</u>
<b>Expenditures</b>				
<b>Food Services</b>				
Personnel Services	0	7,665	6,846	819
Total Food Services	<u>0</u>	<u>7,665</u>	<u>6,846</u>	<u>819</u>
Total Expenditures	<u>0</u>	<u>7,665</u>	<u>6,846</u>	<u>819</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-GRADS CHILDCARE-25149  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 3,500	\$ 3,500	\$ 0
Total Revenues	<u>0</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
<b>Expenditures</b>				
<b>Community Services</b>				
Personnel Services	0	3,500	3,500	0
Total Community Services	<u>0</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND- TITLE XIX-MEDICAID-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 56,986	\$ 106,486	\$ 122,910	\$ 16,424
Total Revenues	<u>56,986</u>	<u>106,486</u>	<u>122,910</u>	<u>16,424</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	106,750	108,522	101,114	7,408
Employee Benefits	33,316	46,044	34,997	11,047
Professional & Tech Services	15,000	24,730	6,258	18,472
Other Purchased Services	100	100	0	100
Supplies	1,000	11,000	862	10,138
Total Support Services-Students	<u>156,166</u>	<u>190,396</u>	<u>143,231</u>	<u>47,165</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	2,834	7,834	2,939	4,895
Total Support Services-General Administration	<u>2,834</u>	<u>7,834</u>	<u>2,939</u>	<u>4,895</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	0	10,270	5,967	4,303
Total Support Services-School Administration	<u>0</u>	<u>10,270</u>	<u>5,967</u>	<u>4,303</u>
Total Expenditures	<u>159,000</u>	<u>208,500</u>	<u>152,137</u>	<u>56,363</u>
Excess (Deficiency) of Revenues Over Expenditures	(102,014)	(102,014)	(29,227)	72,787
Cash Balance Beginning of Year	<u>102,014</u>	<u>102,014</u>	<u>102,014</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,787</u>	<u>\$ 72,787</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (29,227)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (29,227)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-GRADS-25162  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 8,000	\$ 7,500	\$ (500)
Total Revenues	<u>0</u>	<u>8,000</u>	<u>7,500</u>	<u>(500)</u>
Expenditures				
Instruction				
Professional Services	0	8,000	7,500	500
Total Instruction	<u>0</u>	<u>8,000</u>	<u>7,500</u>	<u>500</u>
Total Expenditures	<u>0</u>	<u>8,000</u>	<u>7,500</u>	<u>500</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-DUAL CREDIT-27103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 9,000	\$ 4,791	\$ (4,209)
Total Revenues	<u>0</u>	<u>9,000</u>	<u>4,791</u>	<u>(4,209)</u>
Expenditures				
Instruction				
Supplies	0	9,000	4,791	4,209
Total Instruction	<u>0</u>	<u>9,000</u>	<u>4,791</u>	<u>4,209</u>
Total Expenditures	<u>0</u>	<u>9,000</u>	<u>4,791</u>	<u>4,209</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-GO LIBRARY BOND-27105  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 35,377	\$ 10,201	\$ (25,176)
Total Revenues	<u>0</u>	<u>35,377</u>	<u>10,201</u>	<u>(25,176)</u>
<b>Expenditures</b>				
<b>Support Services-Instruction</b>				
Supplies	0	35,377	31,482	3,895
Total Support Services-Instruction	<u>0</u>	<u>35,377</u>	<u>31,482</u>	<u>3,895</u>
Total Expenditures	<u>0</u>	<u>35,377</u>	<u>31,482</u>	<u>3,895</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(21,281)	(21,281)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,281)</u>	<u>\$ (21,281)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,281)	
Net Change in Due from Grantor			<u>21,281</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 62,994	\$ 14,456	\$ 24,314	\$ 9,858
Total Revenues	<u>62,994</u>	<u>14,456</u>	<u>24,314</u>	<u>9,858</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	21,093	21,057	36
Supply Assets	0	9,413	9,297	116
Total Instruction	<u>0</u>	<u>30,506</u>	<u>30,354</u>	<u>152</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	0	0	0
Other Purchased Services	0	616	615	1
Supplies	0	16,016	16,004	12
Supply Assets	0	650	650	0
Total Support Services-General Administration	<u>0</u>	<u>17,282</u>	<u>17,269</u>	<u>13</u>
<b>Support Services-School Administration</b>				
Supplies	0	3	3	0
Supply Assets	0	747	723	24
Total Support Services-School Administration	<u>0</u>	<u>750</u>	<u>726</u>	<u>24</u>
Total Expenditures	<u>0</u>	<u>48,538</u>	<u>48,349</u>	<u>189</u>
Excess (Deficiency) of Revenues Over Expenditures	62,994	(34,082)	(24,035)	10,047
Cash Balance Beginning of Year	<u>62,993</u>	<u>62,993</u>	<u>62,993</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 125,987</u>	<u>\$ 28,911</u>	<u>\$ 38,958</u>	<u>\$ 10,047</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,035)	
Net change in Accounts Payable			3,566	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (20,469)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>8,195</u>	<u>8,195</u>	<u>8,195</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,195</u>	<u>\$ 8,195</u>	<u>\$ 8,195</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-FAMILY & YOUTH - 27140  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 25,570	\$ 44,780	\$ 35,543	\$ (9,237)
Total Revenues	<u>25,570</u>	<u>44,780</u>	<u>35,543</u>	<u>(9,237)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	0	19,210	19,210	0
Total Support Services-Students	<u>0</u>	<u>19,210</u>	<u>19,210</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>19,210</u>	<u>19,210</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	25,570	25,570	16,333	(9,237)
Cash Balance Beginning of Year	<u>(25,570)</u>	<u>(25,570)</u>	<u>(25,570)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,237)</u>	<u>\$ (9,237)</u>
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 16,333	
Net change in Due from Grantor			<u>(16,333)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING PROGRAM-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 6,145	\$ 4,271	\$ (1,874)
Total Revenues	<u>0</u>	<u>6,145</u>	<u>4,271</u>	<u>(1,874)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	2,295	1,834	461
Supplies	0	201	201	0
Supply Assets	0	4,272	1,694	2,578
Total Instruction	<u>0</u>	<u>6,768</u>	<u>3,729</u>	<u>3,039</u>
<b>Support Services Instruction</b>				
Supplies	0	0	0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,768</u>	<u>3,729</u>	<u>3,039</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(623)	542	1,165
Cash Balance Beginning of Year	<u>623</u>	<u>623</u>	<u>623</u>	<u>0</u>
Cash Balance End of Year	\$ <u>623</u>	\$ <u>0</u>	\$ <u>1,165</u>	\$ <u>1,165</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>542</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>542</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-CLASSROOM BREAKFAST-27155  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 13,663	\$ 13,663	\$ 0
Total Revenues	<u>0</u>	<u>13,663</u>	<u>13,663</u>	<u>0</u>
Expenditures				
Food Services				
Supplies	0	13,663	13,663	0
Total Food Services	<u>0</u>	<u>13,663</u>	<u>13,663</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>13,663</u>	<u>13,663</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-SCHOOL IN NEED OF IMPROVEMENT-27163  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 61,000	\$ 37,290	\$ (23,710)
Total Revenues	<u>0</u>	<u>61,000</u>	<u>37,290</u>	<u>(23,710)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	36,026	36,024	2
Employee Benefits	0	7,782	6,811	971
Supplies	0	17,192	17,191	1
Total Instruction	<u>0</u>	<u>61,000</u>	<u>60,026</u>	<u>974</u>
Total Expenditures	<u>0</u>	<u>61,000</u>	<u>60,026</u>	<u>974</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(22,736)	(22,736)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,736)</u>	<u>\$ (22,736)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (22,736)	
Net change in Due from Grantor			<u>22,736</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-SCHOOL IMPROVEMENT-27164  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 33,971	\$ 33,971	\$ 33,971	\$ 0
Total Revenues	<u>33,971</u>	<u>33,971</u>	<u>33,971</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Professional & Tech Services	0	0	0	0
Supplies	0	0	0	0
Supply Assets	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	33,971	33,971	33,971	0
Cash Balance Beginning of Year	<u>(33,971)</u>	<u>(33,971)</u>	<u>(33,971)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 33,971	
Net change in Due from Grantor			<u>(33,971)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-GO LIBRARY BONDS-27170  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 679	\$ 6,597	\$ 5,516	\$ (1,081)
Total Revenues	<u>679</u>	<u>6,597</u>	<u>5,516</u>	<u>(1,081)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	5,918	5,891	27
Total Support Services-Instruction	<u>0</u>	<u>5,918</u>	<u>5,891</u>	<u>27</u>
Total Expenditures	<u>0</u>	<u>5,918</u>	<u>5,891</u>	<u>27</u>
Excess (Deficiency) of Revenues Over Expenditures	679	679	(375)	(1,054)
Cash Balance Beginning of Year	<u>(679)</u>	<u>(679)</u>	<u>(679)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,054)</u>	<u>\$ (1,054)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (375)	
Net change in Due from Grantor			<u>375</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-LIBRARY BOOK FUND-27549  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	10,862	10,862	9,840	1,022
Total Support Services-Instruction	<u>10,862</u>	<u>10,862</u>	<u>9,840</u>	<u>1,022</u>
Total Expenditures	<u>10,862</u>	<u>10,862</u>	<u>9,840</u>	<u>1,022</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,862)	(10,862)	(9,840)	1,022
Cash Balance Beginning of Year	<u>10,862</u>	<u>10,862</u>	<u>10,862</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,022</u>	<u>\$ 1,022</u>

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ <u>(9,840)</u>
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	\$ <u>(9,840)</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
DEBT SERVICE-41000

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 922,082	\$ 922,082	\$ 693,324	\$ (228,758)
Interest Income	0	0	1,759	1,759
Total Revenues	<u>922,082</u>	<u>922,082</u>	<u>695,083</u>	<u>(226,999)</u>
<b>Expenditures</b>				
Support Services-General Administration				
Professional & Tech Services	972	2,222	2,091	131
Total Support Services-General Administration	<u>972</u>	<u>2,222</u>	<u>2,091</u>	<u>131</u>
Debt Service				
Principal	835,000	835,000	835,000	0
Interest	97,217	97,217	97,217	0
Total Debt Service	<u>932,217</u>	<u>932,217</u>	<u>932,217</u>	<u>0</u>
Total Expenditures	<u>933,189</u>	<u>934,439</u>	<u>934,308</u>	<u>131</u>
Excess (Deficiency) of Revenues Over Expenditures	(11,107)	(12,357)	(239,225)	(226,868)
Cash Balance Beginning of Year	<u>1,116,971</u>	<u>1,116,971</u>	<u>1,116,971</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,105,864</u>	<u>\$ 1,104,614</u>	<u>\$ 877,746</u>	<u>\$ (226,868)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (239,225)	
Net change in Taxes Receivable			34,313	
Net change in Deferred Revenue			492	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (204,420)</u>	

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

**OTHER SUPPLEMENTAL INFORMATION**

**AGENCY FUND**

**Activity Trust Fund**

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2010

	Balance 06/30/09	Receipts	Disbursements	Balance 06/30/10
<b>ASSETS</b>				
Red Ribbon Campaign	\$ 301	\$ 0	\$ 0	\$ 301
Book Fund	9,859	4,108	0	13,967
Elem Art Program	161	0	0	161
General Fund	1,344	0	0	1,344
Gifted Programs	2,837	0	0	2,837
Cafeteria General	0	28,555	28,555	0
Maintenance	36,428	0	21,204	15,224
Tech Poster Production	560	0	0	560
Cisco Systems' Virtual	35	0	0	35
Summer School	0	17,304	17,304	0
Snack Bar	740	0	0	740
Yeso General	2,388	17,137	17,360	2,165
Central Memorial	2,392	0	254	2,138
Central General	4,324	1,219	1,398	4,145
Central Special Acct.	1,615	0	0	1,615
Grand Heights Gen.	5,822	8,382	9,493	4,711
Golf Boosters	150	1,000	608	542
Hermosa General	4,374	10,340	12,956	1,758
Hermosa Special	1,746	500	1,972	274
Penasco General	2,202	264	1,535	931
AHS Paw Prowlers	491	0	243	248
Roselawn General	3,149	5,156	6,984	1,321
Elem. Science P.I.E.	20	0	0	20
Yucca General	9,065	2,902	4,089	7,878
HS Activity Misc.	7,144	1,891	0	9,035
HS Boys A Club	8,971	4,356	4,506	8,821
HS Boys Track Team	7,205	11,683	13,291	5,597
HS Girls A Club	223	0	0	223
AIS Enrichment	0	8,555	6,460	2,095
Lou Smith Scholarship	2,604	1,057	1,600	2,061
J. Clark Bruce Scholarship	26	0	0	26
Estell Yates Special	0	135,000	126,590	8,410
Students	71	0	0	71
Mack Chase Scholarship	62,433	40,000	40,000	62,433
HS Arts & Crafts	3,669	1,330	1,348	3,651
HS Annual Fund	1,466	21,085	22,551	0
HS Basketball Boosters	1,259	8,090	8,908	441
HS Band Fund	3,979	47,614	46,932	4,661
HS Baseball Boosters	3,935	19,944	20,657	3,222
HS Beacon	881	998	1,685	194
HS Girls Basketball	3,312	6,754	8,467	1,599
AHS Tennis	658	985	1,440	203
AHS Boys Basketball Camp	0	55	0	55
HS Cheerleaders	0	54,273	54,273	0
Yeso Library	\$ 4,440	\$ 455	\$ 330	\$ 4,565

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2010

	Balance 06/30/09	Receipts	Disbursements	Balance 06/30/10
HS Chorus	\$ 8,337	\$ 13,966	\$ 16,290	\$ 6,013
HS Night Classes	2,630	13,496	0	16,126
Workbook Fees	9,148	188	0	9,336
Science Scholarship	510	0	0	510
Class Of 2010	2,404	1,400	2,506	1,298
Class Of 2008	5,005	2,477	1,969	5,513
Zac Herrera Memorial	1,957	53	0	2,010
RDC Scholarship	13,416	0	7,750	5,666
Class Of 2009	901	0	31	870
Chase Special Projects	34,425	1,010,600	609,214	435,811
Rodeo	0	5,000	5,000	0
HS Cross Country	2,519	3,055	3,102	2,472
AHS Girls Soccer	4,599	5,655	4,069	6,185
Boys Soccer	2,399	4,300	2,652	4,047
Drivers Education	0	11,521	11,521	0
HS Deca	411	16,689	16,589	511
HS F.F.A.	1,205	80,877	78,983	3,099
AHS Volleyball	774	7,816	6,735	1,855
Grads Activity	6,511	572	2,773	4,310
HS Football Boosters	16,433	34,119	25,079	25,473
HS Football Playoffs	47,380	15,284	30,322	32,342
HS General	5,469	27,989	28,259	5,199
HS French Club	536	0	0	536
HS Health Occupations	846	0	0	846
HS Honor Society	643	1,393	2,036	(0)
HS Industrial Arts	4,226	3,589	3,984	3,831
Grads Co-Pay	5,426	40,872	45,841	457
HS Library	1,594	1,497	1,742	1,349
HS Locker Fund	1,822	0	0	1,822
HS Masquers	1,537	890	2,412	15
Math-Science Club	1,617	0	0	1,617
HS Mechanical Drawing	262	0	0	262
HS PC/Networks	0	2,854	2,854	0
HS BPA	6,464	25,056	26,784	4,736
Scholarship Fund	43,576	29,537	40,794	32,319
HS Key Club	1,301	10	0	1,311
HS Special Education	762	0	41	721
HS Student Council	233	1,201	869	565
HS Swimming Fund	4,998	2,466	1,849	5,615
HS Vocational Ag	2,846	550	0	3,396
HS Vending Machine	8,339	46,057	52,713	1,683
HS Vica-Auto Mechanics	590	4,497	5,016	71
Girls Softball	1,800	7,795	7,163	2,432
HS Testing	3,785	7,578	9,634	1,729
Park Activity Misc.	3,029	4,604	800	6,833
Park Annual	8,096	5,154	7,435	5,815
Park Vending	\$ 317	\$ 0	\$ 200	\$ 117

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2010

	Balance 06/30/09	Receipts	Disbursements	Balance 06/30/10
Park Arts & Crafts	\$ 1,510	\$ 1,349	\$ 1,315	\$ 1,544
Park Band	413	1,099	1,511	1
Park Cheerleaders	6,999	29,114	25,844	10,269
Park FHA	3,654	11,080	12,646	2,088
Park General	12,109	19,434	23,878	7,665
AJHS Football	832	0	0	832
Park Honor Society	361	690	0	1,051
AJHS Border Conf.	0	557	557	0
Park Industrial Arts	2,618	13,804	14,519	1,903
AJHS Track	1,574	530	27	2,077
Park Library	1,791	1,462	865	2,388
AHS Boys Athletics	449	670	107	1,012
AHS Super Computer	0	3,771	3,771	0
APS Trans	2,744	0	578	2,166
Park Student Council	7,926	749	0	8,675
Academic Decathlon	76	0	0	76
Zia General	13,907	15,002	16,242	12,667
Zia Library	203	10,321	10,382	142
District 4-AAA	421	0	0	421
Zia Grants	6	0	0	6
Zia Vending	746	7,902	7,579	1,069
Zia Band	303	1,733	2,024	12
Bilingual	414	0	0	414
Zia Student Council	2,043	370	1,259	1,154
Teacher Scholarship	1,554	0	1,179	375
AHS Chorus	10,014	20,900	23,768	7,146
Children First	2,014	0	2,000	14
AHS Art	1,151	1,904	1,383	1,672
AHS Girls Ath.	1,506	420	0	1,926
NMAA District Chair	4,653	12,408	11,809	5,252
AHS Bowling	613	6,750	4,372	2,991
NMPSIA/CLRG Acct	2,744	0	0	2,744
Special Projects 1	2,407	29,277	28,883	2,801
Flex System	2,251	2,809	2,934	2,126
Credit Union NMPSIA & ERB	6,437	0	6,437	0
Interest on Investments	0	2,590	0	2,590
<b>Total Assets</b>	<b>\$ 569,790</b>	<b>\$ 2,098,344</b>	<b>\$ 1,753,873</b>	<b>\$ 914,262</b>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 569,790	\$ 2,098,344	\$ 1,753,873	\$ 914,262
<b>Total Liabilities</b>	<b>\$ 569,790</b>	<b>\$ 2,098,344</b>	<b>\$ 1,753,873</b>	<b>\$ 914,262</b>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
Cash Reconciliations - All Funds  
For the Year Ended June 30, 2010

		Beginning Cash 6/30/09	Revenues	Expenditures	Ending Cash 6/30/10
Operational	11000	\$ 1,319,452	\$ 24,609,176	\$ 23,872,125	\$ 2,056,503
Teacherage	12000	0	39,716	9,000	30,716
Transportation	13000	0	1,674,158	1,532,222	141,936
Instructional Materials	14000	76,801	147,846	165,851	58,796
Food Services	21000	31,444	1,289,696	1,279,000	42,140
Athletics	22000	93,034	165,437	192,890	65,581
Federal Flowthrough	24000	(180,668)	2,809,584	2,753,101	(124,185)
Federal Direct	25000	102,013	1,936,236	2,487,318	(449,069)
State Flowthrough	27000	22,454	169,561	196,982	(4,967)
HB 33	31600	7,303,423	5,894,020	3,585,128	9,612,315
SB-9	31700	1,280,915	2,725,248	2,455,236	1,550,927
Debt Service	41000	1,116,971	695,083	934,308	877,746
Agency Funds		569,790	2,098,344	1,753,873	914,261
Total		\$ <u>11,735,630</u>	\$ <u>44,254,105</u>	\$ <u>41,217,034</u>	\$ <u>14,772,701</u>

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



**FEDERAL COMPLIANCE**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2010

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
USDA National School Lunch Program	10.553	21000	\$ 865,885
Equipment Recovery Act		24218	6,846
Total Child Nutrition Cluster			<u>872,731</u>
Pass-through State Department of Human Services:			
USDA Commodities Program	10.55	21000	(1) 51,852
Direct Program			
Forest Reserve	10.67	11000	(1) <u>45,816</u>
Total U. S. Department of Agriculture			\$ <u>970,399</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA, Part B	84.027	24106	\$ 688,569
IDEA, Part B, Recovery Act	84.027	24206	870,623
IDEA Preschool	84.173	24109	33,553
IDEA Preschool Recovery Act	84.392	24209	22,368
Total Special Education Cluster			<u>1,615,113</u>
Title I	84.010	24101	695,109
Title I Recovery Act	84.010	24201	132,143
Title III	84.340	24153	20,819
Title II	84.367A		268,586
Title IV	84.186A	24157	13,389
State Equalization Guarantee	84.394	25250	2,324,182
Total U. S. Department of Education			\$ <u>5,069,341</u>
<u>Department of Health &amp; Human Services</u>			
Direct Program:			
Grads Childcare	93.590	25149	3,500
Grads	93.558	25162	7,500
Total Department of Health & Human Services			<u>11,000</u>
Total Federal Assistance			\$ <u>6,050,740</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**

Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2010

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**Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards**

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

**Note 2: Insurance Requirements**

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

**Note 3: Loans or Loan Guarantees**

There were no loans or loan guarantees outstanding at year end.

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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of ARTESIA PUBLIC SCHOOLS , (District), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

 De'Ann Willoughby CPA PC

November 15, 2010

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control  
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22

Mr. Balderas and Members of the Board

Compliance

We have audited ARTESIA PUBLIC SCHOOL DISTRICT (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*De'Ann Willoughby* CPA PC

November 15, 2010

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2010

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**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- \* Significant deficiencies  yes  no
- \* Significant deficiencies(s) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

- \* Significant deficiencies  yes  no
- \* Significant deficiencies(s) identified that are not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133  yes  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
	<b>Special Education Cluster</b>
84.027	IDEA, Part B, Entitlement
84.027	IDEA, Part B, Discretionary
84.173	IDEA Preschool
84.392	IDEA Preschool Recovery Act
84.394	State Equalization Guarantee

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

Auditee qualified as low risk Auditee  yes  no



### **Prior Year Audit Findings**

There were no previous year audit findings.

### **Current Year Audit Findings**

#### **10-1 REPORTING OF INSURANCE PREMIUMS**

##### **Condition**

A sample of sixty-four employees revealed that the percentage used to calculate insurance deductions was incorrect for eight employees. As a result, the District over-paid their portion of insurance premiums for the fiscal year. School District must ensure that it accurately calculates and reports deductions of insurance premiums to the New Mexico Public School Insurance Authority (NMPSIA).

##### **Criteria**

The New Mexico Public Districts' Insurance Authority-Employee Benefits Rules and Regulations Program guide July 2010 sets forth the proper percentages for calculating deductions for employee insurance.

##### **Effect**

The District paid a larger portion of employee insurance premiums than required, causing the District to incur unnecessary expenditures.

##### **Cause**

The deductions are based on a tiered system. The employees were offered a stipend at a later date that caused the wage base to increase and move their base to the next tier.

##### **Recommendation**

The percentages used to calculate insurance premium deductions should be reviewed after every change in employee pay.

##### **Response**

The District implemented measures to review insurance deduction calculations when contract changes are made during the year.

#### **10-2 941 PAYROLL TAX DEPOSITS**

##### **Condition**

An audit of the payroll procedures revealed that at least one 941 deposit was made after the set deadline causing the District to incur significant penalties.

##### **Criteria**

IRS Publication 15 Circular E sets forth the required due dates for making 941 payroll tax deposits.

**Effect**

The Internal Revenue Service penalized the District \$7,835.18 for failing to timely deposit the payroll taxes.

**Cause**

The payroll clerk admits to forgetting to call in one payroll tax deposit. The mistake was not found until the bank statement was received showing the money was still in the bank account.

**Recommendation**

The payroll clerk should periodically review the District's bank account on-line to determine that the money has been sent to the Internal Revenue Service.

**Response**

The District implemented measures to ensure that funds are "called in" on a timely manner at the time of the IRS penalty notification.

**10-3 PAYROLL PROCEDURES****Condition**

The audit revealed that employees are being paid on the 15th of each month for that month's earnings. As a result, employees are paid for services they have not yet earned.

**Criteria**

The New Mexico Criminal Code makes it a fourth-degree felony for a public official to pay public money for services that have not been rendered. "Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services [services] which have not in fact been rendered." NMSA 1978, § 30-23-2.

**Effect**

Paying wages before earned is a violation of NMSA 1978 30-23-2. If an employee terminates, the District may not recover the unearned wages the employee has received and the employee will have received payment for services they have not rendered.

**Cause**

Payroll has been handled in this manner for many years and the District has no record of how or when the first payroll was made with this method. This method has been continued as it would be a hardship on employees to adjust the payment date.

**Recommendation**

Although this auditor agrees that it would be a hardship to correct the paydays to match the pay periods, statute requires such adjustment to be made. It is a very serious issue to continue in this manner and it could potentially subject District personnel to criminal charges. The School Board should take up this issue immediately and pass an appropriate resolution to correct the pay periods for all District employees. We would also recommend contacting legal counsel to allow the District to fully evaluate the potential exposure to the District and its personnel. It may be possible to delay the implementation of such policy until the summer or the expiration of a majority of employee contracts for the current year, but such action should be carefully discussed with legal counsel.

**Response**

District personnel are reviewing current payroll/pay-date procedures, as well as consulting legal counsel as recommended by the auditor. Additionally, district personnel are reviewing implementation plans for making a change of this magnitude.

**Financial Statement Preparation**

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

**Exit Conference**

An exit was held on November 15, 2010. Present were Mike Phipps-Superintendent, Johnny Saiz-Assistant Superintendent, Margaret Aguilar-Board Secretary, Carolyn Shearman-Board Vice-President, Cindy Panzer-Payroll & Benefits Coordinator, Camille George-Assistant Superintendent of Schools for Curriculum, Suzy Tucker-Transportation & Cafeteria Funds Technician, Crit Caton-Audit Committee Member, Jacquelyn Sanderson-Business Manager and DeAun Willoughby, CPA