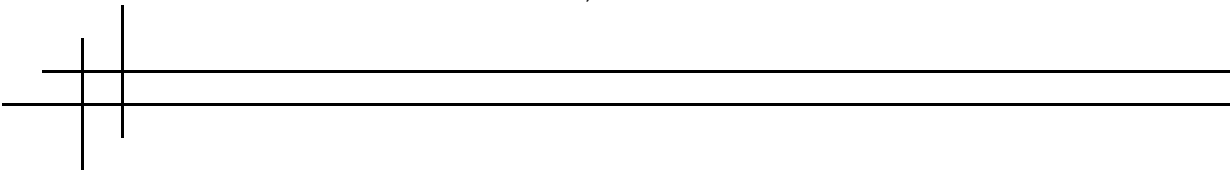


STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2011

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



STATE OF NEW MEXICO
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, 2011

BOARD OF EDUCATION

Lowell M. Irby	President
Carolyn Shearman	Vice-President
Margaret Aguilar	Secretary
Jeff Bowman	Member
Becky Harwell	Member

SCHOOL OFFICIALS

James M. Phipps	Superintendent
Camille George	Assistant Superintendent for Curriculum
Crit Caton	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 fund and major special revenue funds of ARTESIA PUBLIC SCHOOL DISTRICT, (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project 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, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our 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, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project 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 August 26, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

De'Ann Willoughby CPA PC

August 26, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Government-Wide Statement of Net Assets
 June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 13,798,518
Property Taxes Receivable	882,986
Due from Grantor	440,078
Inventory	8,086
Total Current Assets	<u>15,129,668</u>
Noncurrent Assets	
Capital Assets	85,230,172
Less: Accumulated Depreciation	<u>(41,993,303)</u>
Total Noncurrent Assets	<u>43,236,869</u>
Total Assets	<u>58,366,537</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	60,441
Accrued Interest	31,169
Compensated Absences	13,748
Current Portion of Long-Term Debt	870,000
Total Current Liabilities	<u>975,358</u>
Noncurrent Liabilities	
Compensated Absences	123,328
Bonds and Notes, Net	1,059,578
Total Noncurrent Liabilities	<u>1,182,906</u>
Total Liabilities	<u>2,158,264</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	41,307,291
Restricted for Retirement of Long-Term Debt	1,097,238
Unrestricted	13,803,744
Total Net Assets	<u>\$ 56,208,273</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, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities					
Instruction	\$ 23,281,036	\$ 432,623	\$ 2,455,589	\$ 0	\$ (20,392,824)
Support Services-Students	2,450,601	0	310,800	0	(2,139,801)
Support Services-Instruction	878,467	0	10,576	0	(867,891)
General Administration	582,915	0	50,220	0	(532,695)
School Administration	2,420,632	0	377,309	0	(2,043,323)
Central Services	545,857	0	0	0	(545,857)
Operation of Plant	4,344,842	0	0	0	(4,344,842)
Student Transportation	1,335,880	0	1,387,013	0	51,133
Food Services Operations	1,423,433	390,000	1,029,064	0	(4,369)
Community Service	65,262	0	0	0	(65,262)
Other	24,171	0	0	0	(24,171)
Interest on Long-Term Obligations	84,760	0	0	0	(84,760)
Total Governmental Activities	<u>\$ 37,437,856</u>	<u>\$ 822,623</u>	<u>\$ 5,620,571</u>	<u>\$ 0</u>	<u>(30,994,662)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes				767,043	
Property Taxes, Levied for Capital Projects				9,970,698	
Property Taxes, Levied for Debt Service				1,079,923	
Federal and State aid not restricted to specific purpose					
General				23,584,622	
Capital				0	
Interest and investment earnings				32,622	
Miscellaneous				405,740	
Subtotal, General Revenues				<u>35,840,648</u>	
Change in Net Assets				<u>4,845,986</u>	
Net Assets - beginning				51,371,235	
Restatement				(8,948)	
Restated beginning net assets				<u>51,362,287</u>	
Net Assets - ending				<u>\$ 56,208,273</u>	

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, 2011

	General Fund		
	Operational 11000	Teachergage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 1,455,263	\$ 60,366	\$ 0
Receivables			
Property Taxes	58,214	0	0
Due From Grantor	0	0	0
Interfund Balances	439,894	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,953,371</u>	<u>\$ 60,366</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Accounts Payable	33,958	1,399	0
Deferred Revenue	6,614	0	0
Total Liabilities	<u>40,572</u>	<u>1,399</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned- General Fund	1,912,799	58,967	0
Total Fund Balances	<u>1,912,799</u>	<u>58,967</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1,953,371</u>	<u>\$ 60,366</u>	<u>\$ 0</u>

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, 2011

	General Fund		Special Revenue	
	Instructional Materials 14000	Title I 24101	IDEA B Entitlement 24106	
ASSETS				
Cash and Cash Equivalents	\$ 26,965	\$ 0	\$ 0	
Receivables				
Property Taxes	0	0	0	
Due From Grantor	0	120,686	177,726	
Interfund Balances	0	0	0	
Inventory	0	0	0	
Total Assets	<u>\$ 26,965</u>	<u>\$ 120,686</u>	<u>\$ 177,726</u>	
LIABILITIES AND FUND BALANCE				
Liabilities				
Interfund Balances	\$ 0	\$ 120,529	\$ 177,699	
Accounts Payable	0	157	27	
Deferred Revenue	0	0	0	
Total Liabilities	<u>0</u>	<u>120,686</u>	<u>177,726</u>	
Fund Balances				
Nonspendable-Inventory	0	0	0	
Restricted for, reported in				
Special Revenue Funds	0	0	0	
Debt Service	0	0	0	
Assigned-Capital Projects	0	0	0	
Unassigned- General Fund	26,965	0	0	
Total Fund Balances	<u>26,965</u>	<u>0</u>	<u>0</u>	
Total Liabilities and Fund Balances	<u>\$ 26,965</u>	<u>\$ 120,686</u>	<u>\$ 177,726</u>	

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, 2011

	Special Revenue	Capital Projects	
	Teacher Training 24154	House Bill 33 31600	Senate Bill Nine 31700
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 9,065,248	\$ 1,959,326
Receivables			
Property Taxes	0	468,125	268,147
Due From Grantor	108,426	0	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 108,426</u>	<u>\$ 9,533,373</u>	<u>\$ 2,227,473</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 108,426	\$ 0	\$ 0
Accounts Payable	0	0	23,041
Deferred Revenue	0	29,290	61,337
Total Liabilities	<u>108,426</u>	<u>29,290</u>	<u>84,378</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	9,504,083	2,143,095
Unassigned- General Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>9,504,083</u>	<u>2,143,095</u>
Total Liabilities and Fund Balances	<u>\$ 108,426</u>	<u>\$ 9,533,373</u>	<u>\$ 2,227,473</u>

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, 2011

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 1,231,350	\$ 13,798,518
Receivables		
Property Taxes	88,500	882,986
Due From Grantor	33,240	440,078
Interfund Balances	0	439,894
Inventory	8,086	8,086
Total Assets	<u>\$ 1,361,176</u>	<u>\$ 15,569,562</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balances	\$ 33,240	\$ 439,894
Accounts Payable	1,859	60,441
Deferred Revenue	10,019	107,260
Total Liabilities	<u>45,118</u>	<u>607,595</u>
Fund Balances		
Nonspendable-Inventory	8,086	8,086
Restricted for, reported in		
Special Revenue Funds	210,734	210,734
Debt Service	1,097,238	1,097,238
Assigned-Capital Projects	0	11,647,178
Unassigned- General Fund	0	1,998,731
Total Fund Balances	<u>1,316,058</u>	<u>14,961,967</u>
Total Liabilities and Fund Balances	<u>\$ 1,361,176</u>	<u>\$ 15,569,562</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, 2011

Total Fund Balance - Governmental Funds \$ 14,961,967

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	\$ 85,230,172	
Accumulated depreciation is	<u>(41,993,303)</u>	
		43,236,869

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.

107,260

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	(1,960,000)	
Issue Costs	152,115	
Accumulated Amortization	(121,693)	
Accrued interest on bonds	(31,169)	
Compensated Absenses	<u>(137,076)</u>	<u>(2,097,823)</u>

Total net assets - governmental activities \$ 56,208,273

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, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 781,678	\$ 0	\$ 0
Interest Income	11,321	0	0
Fees	251,126	0	0
State & Local Grants	23,568,418	0	1,387,013
Federal Grants	16,204	0	0
Miscellaneous	190,567	71,753	0
Total Revenues	24,819,314	71,753	1,387,013
Expenditures			
Current			
Instruction	16,062,653	0	0
Support Service-Students	2,150,818	0	0
Support Services-Instruction	856,322	0	0
Support Services-General Administration	488,425	0	0
Support Services-School Administration	2,017,312	0	0
Central Services	550,147	0	0
Operation & Maintenance of Plant	2,730,780	43,502	0
Transportation	0	0	1,387,847
Other	24,171	0	0
Community Services	71,097	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	24,951,725	43,502	1,387,847
Excess (Deficiency) of Revenues Over Expenditures	(132,411)	28,251	(834)
Fund Balance Beginning of Year	2,045,210	30,716	834
Restatement	0	0	0
Restated Beginning Fund Balance	2,045,210	30,716	834
Fund Balance End of Year	\$ 1,912,799	\$ 58,967	\$ 0

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, 2011

	General Fund		Special Revenue	
	Instructional Materials 14000	Title I 24101	IDEA B Entitlement 24106	
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 0	
Interest Income	0	0	0	
Fees	0	0	0	
State & Local Grants	141,947	0	0	
Federal Grants	0	706,695	812,872	
Miscellaneous	0	0	0	
Total Revenues	141,947	706,695	812,872	
Expenditures				
Current				
Instruction	173,778	505,416	488,741	
Support Service-Students	0	0	139,180	
Support Services-Instruction	0	0	1,948	
Support Services-General Administration	0	16,705	19,601	
Support Services-School Administration	0	176,389	163,402	
Central Services	0	0	0	
Operation & Maintenance of Plant	0	0	0	
Transportation	0	0	0	
Other	0	0	0	
Community Services	0	0	0	
Food Services	0	0	0	
Capital Outlay	0	8,185	0	
Debt Service				
Principal	0	0	0	
Interest	0	0	0	
Total Expenditures	173,778	706,695	812,872	
Excess (Deficiency) of Revenues Over Expenditures	(31,831)	0	0	
Fund Balance Beginning of Year	58,796	0	0	
Restatement	0	0	0	
Restated Beginning Fund Balance	58,796	0	0	
Fund Balance End of Year	\$ 26,965	\$ 0	\$ 0	

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, 2011

	Special Revenue		
	Teacher Training 24154	Capital Projects	
		House Bill 33 31600	Senate Bill Nine 31700
Revenues			
Property Taxes	\$ 0	\$ 6,827,503	\$ 3,159,426
Interest Income	0	16,636	3,308
Fees	0	0	0
State & Local Grants	0	0	
Federal Grants	221,459	0	0
Miscellaneous	0	44,967	98,349
Total Revenues	221,459	6,889,106	3,261,083
Expenditures			
Current			
Instruction	209,461	253,079	773,693
Support Service-Students	1,342	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	5,745	23,433	10,907
Support Services-School Administration	4,911	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	82,336	1,486,316
Transportation	0	0	0
Other	0	0	0
Community Services	0	0	0
Food Services	0	0	0
Capital Outlay	0	6,998,813	477,409
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	221,459	7,357,661	2,748,325
Excess (Deficiency) of Revenues Over Expenditures	0	(468,555)	512,758
Fund Balance Beginning of Year	0	9,972,638	1,630,337
Restatement	0	0	0
Restated Beginning Fund Balance	0	9,972,638	1,630,337
Fund Balance End of Year	\$ 0	\$ 9,504,083	\$ 2,143,095

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, 2011

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 1,099,337	\$ 11,867,944
Interest Income	1,357	32,622
Fees	737,848	988,974
State & Local Grants	28,797	25,126,175
Federal Grants	2,155,437	3,912,667
Miscellaneous	104	405,740
Total Revenues	<u>4,022,880</u>	<u>42,334,122</u>
Expenditures		
Current		
Instruction	1,281,583	19,748,404
Support Service-Students	159,261	2,450,601
Support Services-Instruction	21,955	880,225
Support Services-General Administration	12,281	577,097
Support Services-School Administration	32,607	2,394,621
Central Services	0	550,147
Operation & Maintenance of Plant	0	4,342,934
Transportation	0	1,387,847
Other	0	24,171
Community Services	0	71,097
Food Services	1,423,433	1,423,433
Capital Outlay	0	7,484,407
Debt Service		
Principal	840,000	840,000
Interest	74,433	74,433
Total Expenditures	<u>3,845,553</u>	<u>42,249,417</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>177,327</u>	<u>84,705</u>
Fund Balance Beginning of Year	1,147,679	14,886,210
Restatement	(8,948)	(8,948)
Restated Beginning Fund Balance	<u>1,138,731</u>	<u>14,877,262</u>
Fund Balance End of Year	<u>\$ 1,316,058</u>	<u>\$ 14,961,967</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, 2011

Net Change in Fund Balance-Governmental Funds \$ 84,705

Amounts reported for Governmental Activities in the Statement of Activities are different 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, 2010	(157,540)	
Property Taxes Receivable, June 30, 2011	<u>107,260</u>	(50,280)

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	\$ (3,521,631)	
Capital Outlays	<u>7,484,407</u>	3,962,776

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 840,000

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, 2010	36,054	
Accrued Interest, June 30, 2011	<u>(31,169)</u>	4,885

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, 2010	156,188	
Compensated Absences, June 30, 2011	<u>(137,076)</u>	<u>19,112</u>

Changes in Net Assets of Governmental Activities \$ 4,845,986

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 802,011	\$ 802,011	\$ 769,802	\$ (32,209)
Interest Income	10,500	10,500	11,321	821
Fees	210,000	210,000	251,126	41,126
State Grant	24,218,549	24,218,549	23,568,418	(650,131)
Federal Grant	17,274	17,274	16,204	(1,070)
Miscellaneous	23,690	23,690	190,566	166,876
Total Revenues	<u>25,282,024</u>	<u>25,282,024</u>	<u>24,807,437</u>	<u>(474,587)</u>
Expenditures				
Instruction				
Personnel Services	12,186,263	11,946,548	11,888,325	58,223
Employee Benefits	4,061,346	3,660,142	3,643,943	16,199
Professional & Tech Services	68,400	111,000	170,535	(59,535)
Other Purchased Services	158,175	204,070	131,113	72,957
Supplies	368,500	234,404	223,878	10,526
Total Instruction	<u>16,842,684</u>	<u>16,156,164</u>	<u>16,057,794</u>	<u>98,370</u>
Support Services-Students				
Personnel Services	1,310,916	1,380,867	1,373,858	7,009
Employee Benefits	502,443	426,657	415,428	11,229
Professional & Tech Services	457,561	462,886	282,177	180,709
Other Purchased Services	95	95	33	62
Supplies	166,250	167,270	71,882	95,388
Support Services-Students	<u>2,437,265</u>	<u>2,437,775</u>	<u>2,143,378</u>	<u>294,397</u>
Support Services-Instruction				
Personnel Services	588,428	629,783	607,153	22,630
Employee Benefits	257,612	236,729	226,255	10,474
Professional & Tech Services	475	475	13	462
Other Purchased Services	0	500	137	363
Supplies	871,864	892,836	22,764	870,072
Support Services-Instruction	<u>1,718,379</u>	<u>1,760,323</u>	<u>856,322</u>	<u>904,001</u>
Support Services-General Administration				
Personnel Services	322,635	320,886	318,940	1,946
Employee Benefits	113,170	91,753	84,975	6,778
Professional & Tech Services	109,570	110,103	45,608	64,495
Other Purchased Services	23,389	26,040	20,513	5,527
Supplies	28,500	27,000	18,844	8,156
Total Support Services-General Administration	<u>\$ 597,264</u>	<u>\$ 575,782</u>	<u>\$ 488,880</u>	<u>\$ 86,902</u>

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 1,565,442	\$ 1,586,843	\$ 1,536,240	\$ 50,603
Employee Benefits	519,921	498,520	450,904	47,616
Professional & Tech Services	12,540	12,540	8,761	3,779
Other Purchased Services	1,425	1,425	985	440
Supplies	22,325	22,325	16,372	5,953
Total Support Services-School Administration	2,121,653	2,121,653	2,013,262	108,391
Central Services				
Personnel Services	451,591	451,591	419,477	32,114
Employee Benefits	144,971	144,971	110,373	34,598
Professional & Tech Services	10,450	10,450	7,412	3,038
Other Purchased Services	1,425	1,425	1,726	(301)
Supplies	23,750	23,750	11,567	12,183
Total Central Services	632,187	632,187	550,555	81,632
Operation & Maintenance of Plant				
Personnel Services	1,141,639	1,221,393	1,160,523	60,870
Employee Benefits	456,272	452,542	440,540	12,002
Professional & Tech Services	1,140	8,140	7,078	1,062
Purchased Property Services	377,043	477,043	458,228	18,815
Other Purchased Services	860,327	678,173	696,956	(18,783)
Supplies	95,000	95,000	0	95,000
Total Operation & Maintenance of Plant	2,931,421	2,932,291	2,763,325	168,966
Other Support Services				
Other	89,409	89,409	24,171	65,238
Total Other Support Services	89,409	89,409	24,171	65,238
Community Services				
Personnel Services	47,181	47,181	47,166	15
Employee Benefits	55,627	55,627	23,930	31,697
Supplies	475	475	0	475
Total Community Services	103,283	103,283	71,096	32,187
Total Expenditures	\$ 27,473,545	\$ 26,808,867	\$ 24,968,783	\$ 1,840,084

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,191,521)	\$ (1,526,843)	\$ (161,346)	\$ 1,365,497
Cash Balance Beginning of Year	<u>2,056,503</u>	<u>2,056,503</u>	<u>2,056,503</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (135,018)</u>	<u>\$ 529,660</u>	<u>\$ 1,895,157</u>	<u>\$ 1,365,497</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (161,346)	
Net change in Taxes Receivable			(2,758)	
Net change in Accounts Payable			17,059	
Net change in Deferred Revenue			14,634	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (132,411)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$ 47,934	\$ 47,934	\$ 71,753	\$ 23,819
Total Revenues	<u>47,934</u>	<u>47,934</u>	<u>71,753</u>	<u>23,819</u>
Expenditures				
Operation & Maintenance of Plant				
Personnel Services	0	20,663	18,884	1,779
Employee Benefits	0	6,805	6,525	280
Purchased Property Services	34,940	10,536	10,801	(265)
Other Purchased Services	0	900	0	900
Supplies	0	2,000	2,876	(876)
Supply Assets	5,000	3,184	3,017	167
Total Operation & Maintenance of Plant	<u>39,940</u>	<u>44,088</u>	<u>42,103</u>	<u>1,985</u>
Total Expenditures	<u>39,940</u>	<u>44,088</u>	<u>42,103</u>	<u>1,985</u>
Excess (Deficiency) of Revenues Over Expenditures	7,994	3,846	29,650	25,804
Cash Balance Beginning of Year	<u>30,716</u>	<u>30,716</u>	<u>30,716</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 38,710</u>	<u>\$ 34,562</u>	<u>\$ 60,366</u>	<u>\$ 25,804</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 29,650	
Net change in Accounts Payable			(1,399)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 28,251</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,453,517	\$ 1,387,013	\$ 1,387,013	\$ 0
Total Revenues	<u>1,453,517</u>	<u>1,387,013</u>	<u>1,387,013</u>	<u>0</u>
Expenditures				
Transportation				
Personnel Services	90,585	80,743	80,743	0
Employee Benefits	26,458	20,470	20,471	0
Professional & Tech Services	0	0	0	(1)
Purchased Property Services	1,300,964	1,269,523	1,269,523	0
Other Purchased Services	16,500	11,441	5,771	5,670
Supplies	10,000	5,772	11,441	(5,669)
Total Transportation	<u>1,444,507</u>	<u>1,387,949</u>	<u>1,387,949</u>	<u>0</u>
Total Expenditures	<u>1,444,507</u>	<u>1,387,949</u>	<u>1,387,949</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	9,010	(936)	(936)	0
Cash Balance Beginning of Year	<u>936</u>	<u>936</u>	<u>936</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,946</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			\$ (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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 125,905	\$ 142,000	\$ 141,947	\$ (53)
Total Revenues	<u>125,905</u>	<u>142,000</u>	<u>141,947</u>	<u>(53)</u>
Expenditures				
Instruction				
Supplies	125,905	200,655	173,778	26,877
Total Instruction	<u>125,905</u>	<u>200,655</u>	<u>173,778</u>	<u>26,877</u>
Total Expenditures	<u>125,905</u>	<u>200,655</u>	<u>173,778</u>	<u>26,877</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(58,655)	(31,831)	26,824
Cash Balance Beginning of Year	<u>58,796</u>	<u>58,796</u>	<u>58,796</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 58,796</u>	<u>\$ 141</u>	<u>\$ 26,965</u>	<u>\$ 26,824</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (31,831)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (31,831)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 769,932	\$ 916,044	\$ 594,475	\$ (321,569)
Total Revenues	<u>769,932</u>	<u>916,044</u>	<u>594,475</u>	<u>(321,569)</u>
Expenditures				
Instruction				
Personnel Services	360,519	382,877	343,124	39,753
Employee Benefits	139,889	144,531	107,348	37,183
Professional & Tech Services	30,000	99,000	32,062	66,938
Other Purchased Services	600	600	40	560
Supplies	34,018	71,005	22,842	48,163
Fixed Assets	0	8,200	8,185	15
Total Instruction	<u>565,026</u>	<u>706,213</u>	<u>513,601</u>	<u>192,612</u>
Support Services-General Administration				
Professional & Tech Services	18,400	21,325	16,705	4,620
Total Support Services-General Administration	<u>18,400</u>	<u>21,325</u>	<u>16,705</u>	<u>4,620</u>
Support Services-School Administration				
Personnel Services	134,676	134,714	134,706	8
Employee Benefits	39,584	39,546	40,236	(690)
Professional & Tech Services	3,000	5,000	1,126	3,874
Other Purchased Services	200	200	151	49
Supplies	580	580	13	567
Total Support Services-School Administration	<u>178,040</u>	<u>180,040</u>	<u>176,232</u>	<u>3,808</u>
Total Expenditures	<u>761,466</u>	<u>907,578</u>	<u>706,538</u>	<u>201,040</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,466</u>	<u>8,466</u>	<u>(112,063)</u>	<u>(120,529)</u>
Cash Balance Beginning of Year	6,542	6,542	6,542	0
Restatement	<u>(15,008)</u>	<u>(15,008)</u>	<u>(15,008)</u>	<u>0</u>
Restated Beginning Cash Balance	<u>(8,466)</u>	<u>(8,466)</u>	<u>(8,466)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (120,529)</u>	<u>\$ (120,529)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (112,063)	
Net change in Due from Grantor			120,686	
Net change in Accounts Payables			(157)	
Net change in Deferred Revenue			<u>(8,466)</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-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 875,623	\$ 1,104,007	\$ 665,985	\$ (438,022)
Total Revenues	<u>875,623</u>	<u>1,104,007</u>	<u>665,985</u>	<u>(438,022)</u>
Expenditures				
Instruction				
Personnel Services	315,024	394,514	308,952	85,562
Employee Benefits	140,718	154,897	141,258	13,639
Professional & Tech Services	4,000	25,000	21,122	3,878
Other Purchased Services	4,104	4,104	2,211	1,893
Supplies	10,000	10,000	3,779	6,221
Supply Assets	4,000	76,513	11,519	64,994
Total Instruction	<u>477,846</u>	<u>665,028</u>	<u>488,841</u>	<u>176,187</u>
Support Services-Students				
Personnel Services	90,527	91,507	80,943	10,564
Employee Benefits	30,687	30,282	22,723	7,559
Professional & Tech Services	44,000	57,615	25,663	31,952
Supplies	1,000	1,000	9,878	(8,878)
Supply Assets	16,800	24,800	0	24,800
Total Support Services-Students	<u>183,014</u>	<u>205,204</u>	<u>139,207</u>	<u>65,997</u>
Support Services-Instruction				
Professional & Tech Services	1,850	1,921	1,921	0
Total Support Services-Instruction	<u>1,850</u>	<u>1,921</u>	<u>1,921</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	16,737	21,313	19,601	1,712
Total Support Services- General Administration	<u>\$ 16,737</u>	<u>\$ 21,313</u>	<u>\$ 19,601</u>	<u>\$ 1,712</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 105,550	\$ 115,751	\$ 107,553	\$ 8,198
Employee Benefits	41,590	44,025	39,660	4,365
Professional & Tech Services	2,200	829	778	51
Other Purchased Services	1,900	1,900	500	1,400
Supplies	12,500	15,600	13,200	2,400
Supply Assets	1,900	1,900	1,887	13
Total Support Services-School Administration	<u>165,640</u>	<u>180,005</u>	<u>163,578</u>	<u>16,427</u>
Total Expenditures	<u>845,087</u>	<u>1,073,471</u>	<u>813,148</u>	<u>260,323</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>30,536</u>	<u>30,536</u>	<u>(147,163)</u>	<u>(177,699)</u>
Cash Balance Beginning of Year	(28,049)	(28,049)	(28,049)	0
Restatement	<u>(2,487)</u>	<u>(2,487)</u>	<u>(2,487)</u>	<u>0</u>
Restated Beginning Cash Balance	<u>(30,536)</u>	<u>(30,536)</u>	<u>(30,536)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (177,699)</u>	<u>\$ (177,699)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (147,163)	
Net Change in Due from Grantor			146,887	
Net Change in Accounts Payable			<u>276</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 293,632	\$ 294,229	\$ 182,725	\$ (111,504)
Total Revenues	<u>293,632</u>	<u>294,229</u>	<u>182,725</u>	<u>(111,504)</u>
Expenditures				
Instruction				
Personnel Services	163,500	163,800	163,100	700
Employee Benefits	42,769	43,516	42,580	936
Professional & Tech Services	2,400	3,782	3,781	1
Other Purchased Services	1,000	1,000	0	1,000
Supplies	4,272	437	0	437
Total Instruction	<u>213,941</u>	<u>212,535</u>	<u>209,461</u>	<u>3,074</u>
Support Services-Students				
Professional & Tech Services	1,500	216	216	0
Supplies	0	1,130	1,127	3
Support Services-Students	<u>1,500</u>	<u>1,346</u>	<u>1,343</u>	<u>3</u>
Support Services-General Administration				
Professional & Tech Services	6,500	5,746	5,745	1
Total Support Services-General Administration	<u>6,500</u>	<u>5,746</u>	<u>5,745</u>	<u>1</u>
Support Services-School Administration				
Professional & Tech Services	2,000	4,911	4,911	0
Total Support Services-School Administration	<u>2,000</u>	<u>4,911</u>	<u>4,911</u>	<u>0</u>
Total Expenditures	<u>223,941</u>	<u>224,538</u>	<u>221,460</u>	<u>3,078</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>69,691</u>	<u>69,691</u>	<u>(38,735)</u>	<u>(108,426)</u>
Cash Balance Beginning of Year	(69,893)	(69,893)	(69,893)	0
Restatement	202	202	202	0
Restated Beginning Cash Balance	<u>(69,691)</u>	<u>(69,691)</u>	<u>(69,691)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(108,426)</u>	\$ <u>(108,426)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (38,735)	
Net change in Due from Grantor			<u>38,735</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
Statement of Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 815,249
Total Assets	<u>\$ 815,249</u>
Liabilities	
Deposits Held for Others	\$ 815,249
Total Liabilities	<u>\$ 815,249</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 nineteenth 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 four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage accounts for rents collected from teachers and related expenditures. 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 FUNDS

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

IDEA 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.

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).

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.
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.

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ARTESIA PUBLIC SCHOOLS
Notes to the Financial Statements
June 30, 2011

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.

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ARTESIA PUBLIC SCHOOLS
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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.

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ARTESIA PUBLIC SCHOOLS
Notes to the Financial Statements
June 30, 2011

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.

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.

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	<u>Type</u>
Operational Money Market	\$ 313,335	\$ 313,335	Savings
Artesia Public Schools-8	413,577	380,942	Checking
Activity Fund	662,195	640,505	Checking
Activity Money Market	1,217	1,217	Savings
Artesia Public Schools-Activities	250,000	250,000	Savings
Cafeteria-5	35,822	34,488	Checking
Capital Improvement	2,061,650	2,030,140	Checking
Special Building Fund HB 33	8,571,135	8,565,248	Checking
Artesia Public Schools-HB33	500,000	500,000	Savings
TOTAL Deposited	<u>12,808,931</u>	<u>\$ 12,715,875</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	12,558,931		
50% collateral requirement	6,279,466		
Pledged securities	<u>7,402,500</u>		
Over (Under) requirement	<u>\$ 1,123,035</u>		

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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>
Gadsden NM ISD	362550KL8	\$ 262,500	8/15/2013	FHLB-Dallas, TX
Belen NM Gross Rcpts	077571CE5	105,000	6/1/2014	FHLB-Dallas, TX
Gallup McKinley NM SD	364010NP9	300,000	8/1/2014	FHLB-Dallas, TX
Gadsden NM ISD	362550KM6	200,000	8/15/2014	FHLB-Dallas, TX
Gadsden NM ISD	362550KM6	200,000	8/15/2014	FHLB-Dallas, TX
Grant Cnty NM	387766BV9	500,000	9/1/2016	FHLB-Dallas, TX
Torrance Etc Cntys NM	891400MP5	450,000	1/15/2017	FHLB-Dallas, TX
Torrance Etc Cntys NM	891400MP5	1,350,000	1/15/2017	FHLB-Dallas, TX
Portales NM Muni Sch	736151DA6	400,000	2/1/2017	FHLB-Dallas, TX
Albuquerque NM Met	013572JD5	560,000	8/1/2017	FHLB-Dallas, TX
San Juan Cnty NM Cent	798359HQ1	900,000	8/1/2018	FHLB-Dallas, TX
Hobbs NM Sch Dist #16	433866CR9	1,000,000	7/15/2020	FHLB-Dallas, TX
Belen NM Cons Sch Dist	077581MQ6	175,000	8/1/2020	FHLB-Dallas, TX
Albuquerque NM Muni S	013595LM3	1,000,000	8/1/2022	FHLB-Dallas, TX
		<u>\$ 7,402,500</u>		

Western Bank

<u>Name of Account</u>	<u>Balance Per Bank 6/30/11</u>	<u>Reconciled Balance</u>	<u>Type</u>
Operational	\$ 3,429,051	\$ 863,118	Checking
Operational Money Market	7,114	7,114	Savings
Debt Service	1,018,758	1,018,758	Checking
TOTAL Deposited	<u>4,454,923</u>	<u>\$ 1,888,990</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	4,204,923		
50% collateral requirement	2,102,462		
Pledged securities	2,827,239		
Over (Under) requirement	<u>\$ 724,777</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 **Western Bank:**

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
Roswell, NM	778544CB0	\$ 325,000	8/1/2012	FHLB-Dallas, TX
Belen, NM Cons Sch Dist	077581KX3	200,000	8/1/2015	FHLB-Dallas, TX
Artesia, NM Wtr & Wrtwrt Sys	04310LAT7	355,000	6/1/2027	FHLB-Dallas, TX
Los Lunas, NM Sch Dist	545562PH7	350,000	7/15/2021	FHLB-Dallas, TX
FNMA Pool #251812	31371GV069	7,961	7/1/2013	FHLB-Dallas, TX
GNMA II Pool #002578	36202C2K8	33,799	4/20/2028	FHLB-Dallas, TX
FNMA Pool #257203	31371NU45	194,714	5/1/2028	FHLB-Dallas, TX
FNMA Step-Up Struct Note	3136FHLH6	900,000	4/30/2019	FHLB-Dallas, TX
FNMA ARM Pool #933311	314125KY0	460,765	3/1/2038	FHLB-Dallas, TX
		<u>\$ 2,827,239</u>		

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Artesia School Employees Credit Union

<u>Name of Account</u>	Balance Per Bank 6/30/11	Reconciled Balance	<u>Type</u>
NMPSIA	\$ 6,586	\$ 6,586	Checking
ERB	2,316	2,316	Checking
TOTAL Deposited	<u>8,902</u>	<u>\$ 8,902</u>	
Less: FDIC Coverage	<u>(8,902)</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>	<u>Bank Balance</u>
Insured	\$ 508,902
Collateralized:	
Collateral held by the pledging bank in District's name	10,229,739
Uninsured and uncollateralized	6,534,115
Total Deposits	<u>\$ 17,272,756</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 \$6,534,115 of the District's bank balance of \$17,272,756 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>				<u>Total</u>
	<u>Title I</u>	<u>IDEA B Entitlement</u>	<u>Teacher Training</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ 120,529	\$ 177,699	\$ 108,426	\$ 33,240	\$ 439,894
Totals	<u>\$ 120,529</u>	<u>\$ 177,699</u>	<u>\$ 108,426</u>	<u>\$ 33,240</u>	<u>\$ 439,894</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.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2011:

	<u>General</u>	<u>House Bill 33</u>	<u>Senate Bill Nine</u>	<u>Other Governmental</u>
Property Taxes Receivable:				
Available	\$ 51,600	\$ 438,835	\$ 206,810	\$ 78,481
Unavailable	6,614	29,290	61,337	10,019
TOTAL Property Taxes Receivable	<u>\$ 58,214</u>	<u>\$ 468,125</u>	<u>\$ 268,147</u>	<u>\$ 88,500</u>

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
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June 30, 2011

NOTE E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2011

Federal Agencies	\$	428,769
State Agencies		11,309
Total	\$	<u>440,078</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, 2011:

	<u>General</u>	<u>House Bill 33</u>	<u>Senate Bill Nine</u>
Property Taxes	\$ 6,614	\$ 29,290	\$ 61,337
Federal Revenues	0	0	0
TOTAL Deferred Revenues	<u>\$ 6,614</u>	<u>\$ 29,290</u>	<u>\$ 61,337</u>

	<u>Other Governmental</u>	<u>Total</u>
Property Taxes	\$ 10,019	\$ 107,260
Federal Revenues	0	0
TOTAL Deferred Revenues	<u>\$ 10,019</u>	<u>\$ 107,260</u>

NOTE G: CAPITAL ASSETS

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

	<u>Balance 6/30/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/11</u>
Governmental Activities				
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	69,296,723	7,333,911	0	76,630,634
Equipment	6,417,736	150,495	0	6,568,231
Total Capital Assets being Depreciated	<u>75,714,459</u>	<u>7,484,406</u>	<u>0</u>	<u>83,198,865</u>
Less Accumulated Depreciation				
Buildings & Improvements	33,243,791	3,094,502	0	36,338,293
Equipment	5,227,880	427,128	0	5,655,008
Total Accumulated Depreciation	<u>38,471,671</u>	<u>3,521,630</u>	<u>0</u>	<u>41,993,301</u>
Capital Assets, net	<u>\$ 39,274,093</u>	<u>\$ 3,962,776</u>	<u>\$ 0</u>	<u>\$ 43,236,869</u>

STATE OF NEW MEXICO
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Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 3,521,630
Total depreciation expenses	<u>\$ 3,521,630</u>

NOTE H: LONG TERM DEBT

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

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 2,800,000	\$ 0	\$ 840,000	\$ 1,960,000	\$ 870,000
Total Bonds	<u>2,800,000</u>	<u>0</u>	<u>840,000</u>	<u>1,960,000</u>	<u>870,000</u>
Other Liabilities					
Compensated					
Absences	156,188	141,503	160,615	137,076	13,748
Total Other	<u>156,188</u>	<u>141,503</u>	<u>160,615</u>	<u>137,076</u>	<u>13,748</u>
Liabilities					
Long-Term	<u>\$ 2,956,188</u>	<u>\$ 141,503</u>	<u>\$ 1,000,615</u>	<u>\$ 2,097,076</u>	<u>\$ 883,748</u>

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

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%	\$ 1,960,000
				<u>\$ 1,960,000</u>

The annual requirements to amortize the 2003 Series general obligation bonds as of June 30, 2011, including interest payments are as follows:

	Principal	Interest	Total
2012	\$ 870,000	\$ 48,896	\$ 918,896
2013	900,000	20,919	920,919
2014	190,000	3,192	193,192
	<u>\$ 1,960,000</u>	<u>\$ 73,007</u>	<u>\$ 2,033,007</u>

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
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Reconciliation of Long-Term Debt disclosed in Note H to the Long-Term Debt reported in the Statement of Net Assets.

Note H	\$ 1,960,000
Net Issue Costs/Premium/Discounts on Bond Issues	(30,422)
Statement of Net Assets	<u>\$ 1,929,578</u>
Long-Term Per Government Wide Financial Statements	\$ 1,059,578
Current Portion	870,000
Statement of Net Assets	<u>\$ 1,929,578</u>

NOTE I: COMMITMENTS

There are no construction commitments as of June 30, 2011.

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.

Effective July 1, 2009 through June 30, 2011, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$3,989,613, \$4,110,349 and \$3,970,801 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE K: POST-EMPLOYMENT BENEFITS

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$491,211, \$394,842 and \$397,614 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.

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
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June 30, 2011

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, 2011 were \$24,171.

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.

NOTE P: RESTATEMENTS

Net Assets and Fund Balance were restated by \$(8,948) because expenditures were originally paid from the Operational Fund in prior years and were not moved to the correct fund; Incentives for School Improvement \$(8,195) and Library Books \$(753).

Several funds' beginning cash were restated as follows:

Title I	\$	(15,008)
Migrant		(2,327)
Entitlement		(2,487)
Preschool		(4,422)
Title II		(2,151)
Teacher Training		202
Rural Low Income		31,172
Incentives		(8,195)
Library GO Bonds		753
Library Book Fund		(753)

**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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 7,334,686	\$ 7,334,686	\$ 6,748,992	\$ (585,694)
Interest Income	20,000	20,000	16,635	(3,365)
Miscellaneous	0	0	44,967	44,967
Total Revenues	<u>7,354,686</u>	<u>7,354,686</u>	<u>6,810,594</u>	<u>(544,092)</u>
Expenditures				
Support Services General Administration				
Professional & Tech Services	20,418	23,434	23,433	1
Total Support Services General Administration	<u>20,418</u>	<u>23,434</u>	<u>23,433</u>	<u>1</u>
Capital Outlay				
Personnel Services	0	70,581	64,698	5,883
Employee Benefits	0	32,302	17,637	14,665
Building Improvements	6,500,000	6,496,984	4,401,292	2,095,692
Land Improvements	2,000,000	1,934,117	1,933,984	133
Building Purchases	5,000,000	5,000,000	626,559	4,373,441
Fixed Assets	500,000	500,000	36,979	463,021
Supply Assets	1,350,000	1,350,000	253,079	1,096,921
Total Capital Outlay	<u>15,350,000</u>	<u>15,383,984</u>	<u>7,334,228</u>	<u>8,049,756</u>
Total Expenditures	<u>15,370,418</u>	<u>15,407,418</u>	<u>7,357,661</u>	<u>8,049,757</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,015,732)	(8,052,732)	(547,067)	7,505,665
Cash Balance Beginning of Year	<u>9,612,315</u>	<u>9,612,315</u>	<u>9,612,315</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,596,583</u>	<u>\$ 1,559,583</u>	<u>\$ 9,065,248</u>	<u>\$ 7,505,665</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (547,067)	
Net change in Taxes Receivable			87,369	
Net change in Deferred Revenue			(8,857)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (468,555)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 3,239,019	\$ 3,239,019	\$ 3,111,837	\$ (127,182)
Interest Income	2,000	2,000	3,308	1,308
Miscellaneous	0	0	98,349	98,349
Total Revenues	<u>3,241,019</u>	<u>3,241,019</u>	<u>3,213,494</u>	<u>(27,525)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	9,012	10,907	10,907	0
Total Support Services-General Administration	<u>9,012</u>	<u>10,907</u>	<u>10,907</u>	<u>0</u>
Capital Outlay				
Maintenance & Repairs	1,225,000	1,225,000	1,018,999	206,001
Building Improvements	910,157	910,157	305,750	604,407
Supplies	1,225,000	1,223,105	526,067	697,038
Land Improvements	150,000	145,000	55,399	89,601
Building Purchases	0	5,000	2,744	2,256
Vehicles	173,256	251,973	34,972	217,001
Fixed Assets	885,000	885,000	78,544	806,456
Supply Assets	0	0	771,714	(771,714)
Total Capital Outlay	<u>4,568,413</u>	<u>4,645,235</u>	<u>2,794,189</u>	<u>1,851,046</u>
Total Expenditures	<u>4,577,425</u>	<u>4,656,142</u>	<u>2,805,096</u>	<u>1,851,046</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,336,406)	(1,415,123)	408,398	1,823,521
Cash Balance Beginning of Year	<u>1,550,928</u>	<u>1,550,928</u>	<u>1,550,928</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 214,522</u>	<u>\$ 135,805</u>	<u>\$ 1,959,326</u>	<u>\$ 1,823,521</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 408,398	
Net change in Taxes Receivable			22,501	
Net change in Accounts Payable			56,770	
Net change in Deferred Revenue			25,089	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 512,758</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 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 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 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.

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

NONMAJOR SPECIAL REVENUE FUNDS

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.

Homeless Stimulus (24213). To ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each State educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

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).

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.

State Fiscal Stabilization Program (25250). The objectives of this grant are to support and restore funding for elementary and secondary education, to avoid reductions in budgets for education and other essential services in exchange for a commitment to advance essential education reforms. The fund was created by grant provisions.

Education Jobs Fund (25255). To provide for the compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. Authorized by PL No 111-226.

Dual Credits 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.

NONMAJOR SPECIAL REVENUE FUNDS

Library GO Bonds (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 there 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.

GO Library 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.

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, 2011

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I Migrant 24103
ASSETS			
Cash and Cash Equivalents	\$ 34,488	\$ 76,472	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	8,086	0	0
Total Assets	<u>42,574</u>	<u>76,472</u>	<u>0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	0	95	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>95</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	8,086	0	0
Restricted for, reported in			
Special Revenue Funds	34,488	76,377	0
Debt Service	0	0	0
Total Fund Balance	<u>42,574</u>	<u>76,377</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 42,574</u>	<u>\$ 76,472</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 Balance Sheet
June 30, 2011

	Special Revenue Funds		
	IDEA Preschool 24109	Enhancing Education Through Technology 24133	Title III 24153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	12,185	0	287
Inventory	0	0	0
Total Assets	<u>12,185</u>	<u>0</u>	<u>287</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	12,185	0	287
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>12,185</u>	<u>0</u>	<u>287</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 12,185</u>	<u>\$ 0</u>	<u>\$ 287</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, 2011

	Special Revenue Funds		
	Title IV 24157	Rural Low Income 24160	Title I Recovery Act 24201
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	6,854
Inventory	0	0	0
Total Assets	<u>0</u>	<u>0</u>	<u>6,854</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	0	6,854
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>6,854</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	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>\$ 6,854</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, 2011

	Special Revenue Funds		
	IDEA B	IDEA	Homeless
	Recovery Act 24206	Preschool Recovery Act 24209	Stimulus 24213
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	1,143	1,462
Inventory	0	0	0
Total Assets	<u>0</u>	<u>1,143</u>	<u>1,462</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	1,143	1,462
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>1,143</u>	<u>1,462</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,143</u>	<u>\$ 1,462</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, 2011

	Special Revenue Funds		
	Title XIX Medicaid 25153	Grads 25162	State Fiscal Stabilization Program 25250
	<u>25153</u>	<u>25162</u>	<u>25250</u>
ASSETS			
Cash and Cash Equivalents	\$ 85,568	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>85,568</u>	<u>0</u>	<u>0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	1,764	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,764</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	83,804	0	0
Debt Service	0	0	0
Total Fund Balance	<u>83,804</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 85,568</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 Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Education Job Fund 25255	Duel Credits Instructional Materials 27103	Library GO Bonds 27105
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	7,866	3,443
Inventory	0	0	0
Total Assets	<u>0</u>	<u>7,866</u>	<u>3,443</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	7,866	3,443
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>7,866</u>	<u>3,443</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 7,866</u>	<u>\$ 3,443</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, 2011

	Special Revenue Funds		
	Technology For Education <u>27117</u>	Incentives For School Improvement <u>27138</u>	Family & Youth <u>27140</u>
ASSETS			
Cash and Cash Equivalents	\$ 14,631	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>14,631</u>	<u>0</u>	<u>0</u>
LIABILITIES AND FUND BALANCE			
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			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	14,631	0	0
Debt Service	0	0	0
Total Fund Balance	<u>14,631</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 14,631</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 Balance Sheet
June 30, 2011

	Special Revenue Funds		
	Beginning Teacher Mentoring Program <u>27154</u>	Classroom Breakfast <u>27155</u>	School in Need of Improvement <u>27163</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,165	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>1,165</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	0	0
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>0</u></u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	1,165	0	0
Debt Service	<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>\$ 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 Balance Sheet
June 30, 2011

	<u>Special Revenue Funds</u>		
	GO Library	Library	Debt
	Bonds <u>27170</u>	Books <u>27549</u>	Service <u>41000</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 269	\$ 1,018,757
Receivables			
Property Taxes	0	0	88,500
Due From Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>0</u></u>	<u><u>269</u></u>	<u><u>1,107,257</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>10,019</u>
Total Liabilities	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>10,019</u></u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	269	0
Debt Service	<u>0</u>	<u>0</u>	<u>1,097,238</u>
Total Fund Balance	<u><u>0</u></u>	<u><u>269</u></u>	<u><u>1,097,238</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 0</u></u>	<u><u>\$ 269</u></u>	<u><u>\$ 1,107,257</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, 2011

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,231,350
Receivables	
Property Taxes	88,500
Due From Grantor	33,240
Inventory	<u>8,086</u>
Total Assets	<u><u>1,361,176</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balances	33,240
Accounts Payable	1,859
Deferred Revenue	<u>10,019</u>
Total Liabilities	<u>45,118</u>
Fund Balance	
Nonspendable-Inventory	8,086
Restricted for, reported in	
Special Revenue Funds	210,734
Debt Service	<u>1,097,238</u>
Total Fund Balance	<u>1,316,058</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,361,176</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, 2011

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I Migrant 24103
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	205	200	0
Fees	390,000	181,497	0
State & Local Grants	0	0	0
Federal Grants	1,007,609	0	0
Miscellaneous	64	40	0
Total Revenues	<u>1,397,878</u>	<u>181,737</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	168,744	0
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
Food Services	1,401,978	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,401,978</u>	<u>168,744</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,100)</u>	<u>12,993</u>	<u>0</u>
Fund Balances at Beginning of Year	46,674	63,384	0
Restatement	0	0	0
Restated Beginning Cash Balance	<u>46,674</u>	<u>63,384</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 42,574</u>	<u>\$ 76,377</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, 2011

	Special Revenue Funds		
	IDEA Preschool 24109	Enhancing Education Through Technology 24133	Title III 24153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	41,142	0	11,872
Miscellaneous	0	0	0
Total Revenues	<u>41,142</u>	<u>0</u>	<u>11,872</u>
Expenditures			
Current			
Instruction	12,209	0	10,833
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	992	0	286
Support Service-School Administration	27,941	0	753
Food Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>41,142</u>	<u>0</u>	<u>11,872</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Cash Balance	<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, 2011

	Special Revenue Funds		
	Title IV 24157	Rural Low Income 24160	Title I Recovery Act 24201
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	2,226	0	114,246
Miscellaneous	0	0	0
Total Revenues	<u>2,226</u>	<u>0</u>	<u>114,246</u>
Expenditures			
Current			
Instruction	2,172	0	109,644
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	54	0	2,754
Support Service-School Administration	0	0	1,848
Food Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,226</u>	<u>0</u>	<u>114,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Cash Balance	<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, 2011

	Special Revenue Funds		
	IDEA B	IDEA	Homeless
	Recovery Act 24206	Preschool Recovery Act 24209	Stimulus 24213
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	2,920	12,014	9,944
Miscellaneous	0	0	0
Total Revenues	<u>2,920</u>	<u>12,014</u>	<u>9,944</u>
Expenditures			
Current			
Instruction	1,297	3,562	0
Support Service-Students	926	7,049	0
Support Service-Instruction	0	0	0
Support Service-General Administration	376	5	0
Support Service-School Administration	321	1,398	0
Food Services	0	0	9,944
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,920</u>	<u>12,014</u>	<u>9,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Cash Balance	<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, 2011

	Special Revenue Funds		
	Title XIX Medicaid 25153	Grads 25162	State Fiscal Stabilization Program 25250
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	166,351	0	0
State & Local Grants	0	0	0
Federal Grants	0	8,529	255,781
Miscellaneous	0	0	0
Total Revenues	<u>166,351</u>	<u>8,529</u>	<u>255,781</u>
Expenditures			
Current			
Instruction	0	8,529	250,596
Support Service-Students	151,286	0	0
Support Service-Instruction	0	0	5,185
Support Service-General Administration	3,702	0	0
Support Service-School Administration	346	0	0
Food Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>155,334</u>	<u>8,529</u>	<u>255,781</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,017</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	72,787	0	0
Restatement	0	0	0
Restated Beginning Cash Balance	<u>72,787</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 83,804</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, 2011

	Special Revenue Funds		
	Education Job Fund 25255	Duel Credits Instructional Materials 27103	Library GO Bonds 27105
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	13,843	3,443
Federal Grants	689,154	0	0
Miscellaneous	0	0	0
Total Revenues	<u>689,154</u>	<u>13,843</u>	<u>3,443</u>
Expenditures			
Current			
Instruction	689,154	13,843	0
Support Service-Students	0	0	0
Support Service-Instruction	0	0	3,443
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Food Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>689,154</u>	<u>13,843</u>	<u>3,443</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Cash Balance	<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, 2011

	Special Revenue Funds		
	Technology For Education 27117	Incentives For School Improvement 27138	Family & Youth 27140
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	11,000	0	0
Support Service-Students	0	0	0
Support Service-Instruction	13,327	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Food Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>24,327</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(24,327)</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	38,958	8,195	0
Restatement	0	(8,195)	0
Restated Beginning Cash Balance	<u>38,958</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 14,631</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, 2011

	Special Revenue Funds		
	Beginning Teacher Mentoring Program 27154	Classroom Breakfast 27155	School in Need of Improvement 27163
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants		11,511	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>11,511</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
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
Food Services	0	11,511	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>11,511</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	1,165	0	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Cash Balance	<u>1,165</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,165</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, 2011

	<u>Special Revenue Funds</u>		
	GO Library	Library	Debt
	Bonds 27170	Books 27549	Service 41000
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 1,099,337
Interest Income	0	0	952
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>1,100,289</u>
Expenditures			
Current			
Instruction	0	0	0
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	4,112
Support Service-School Administration	0	0	0
Food Services	0	0	0
Debt Service			
Principal	0	0	840,000
Interest	0	0	74,433
Total Expenditures	<u>0</u>	<u>0</u>	<u>918,545</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>181,744</u>
Fund Balances at Beginning of Year	0	1,022	915,494
Restatement	0	(753)	0
Restated Beginning Cash Balance	<u>0</u>	<u>269</u>	<u>915,494</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 269</u>	<u>\$ 1,097,238</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, 2011

	<u>Total</u>
Revenues	
Property Taxes	\$ 1,099,337
Interest Income	1,357
Fees	737,848
State & Local Grants	28,797
Federal Grants	2,155,437
Miscellaneous	104
Total Revenues	<u>4,022,880</u>
Expenditures	
Current	
Instruction	1,281,583
Support Service-Students	159,261
Support Service-Instruction	21,955
Support Service-General Administration	12,281
Support Service-School Administration	32,607
Food Services	1,423,433
Debt Service	
Principal	840,000
Interest	74,433
Total Expenditures	<u>3,845,553</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>177,327</u>
Fund Balances at Beginning of Year	1,147,679
Restatement	(8,948)
Restated Beginning Cash Balance	<u>1,138,731</u>
Fund Balance End of Year	<u>\$ 1,316,058</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 261	\$ 261	\$ 205	\$ (56)
Fees	389,627	389,627	390,000	373
Federal Grant	958,291	958,291	937,557	(20,734)
Miscellaneous	0	0	64	64
Total Revenues	<u>1,348,179</u>	<u>1,348,179</u>	<u>1,327,826</u>	<u>(20,353)</u>
Expenditures				
Food Services				
Personnel Services	414,432	406,302	406,001	301
Employee Benefits	195,882	194,706	176,205	18,501
Professional & Tech Services	4,050	4,895	4,245	650
Other Purchased Services	6,800	6,800	6,767	33
Supplies	<u>758,459</u>	<u>759,949</u>	<u>742,259</u>	<u>17,690</u>
Total Food Services	<u>1,379,623</u>	<u>1,372,652</u>	<u>1,335,477</u>	<u>37,175</u>
Total Expenditures	<u>1,379,623</u>	<u>1,372,652</u>	<u>1,335,477</u>	<u>37,175</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,444)	(24,473)	(7,651)	16,822
Cash Balance Beginning of Year	<u>42,139</u>	<u>42,139</u>	<u>42,139</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,695</u>	<u>\$ 17,666</u>	<u>\$ 34,488</u>	<u>\$ 16,822</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,651)	
Net Change in Due from Grantor			<u>3,551</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (4,100)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 400	\$ 400	\$ 200	\$ (200)
Fees	190,000	190,000	181,497	(8,503)
Miscellaneous	0	0	40	40
Total Revenues	<u>190,400</u>	<u>190,400</u>	<u>181,737</u>	<u>(8,663)</u>
Expenditures				
Instruction				
Personnel Services	45,200	52,200	44,109	8,091
Employee Benefits	11,186	12,190	9,500	2,690
Professional & Tech Services	59,000	57,996	32,572	25,424
Other Purchased Services	82,380	82,380	54,994	27,386
Supplies	58,000	51,000	29,672	21,328
Total Instruction	<u>255,766</u>	<u>255,766</u>	<u>170,847</u>	<u>84,919</u>
Total Expenditures	<u>255,766</u>	<u>255,766</u>	<u>170,847</u>	<u>84,919</u>
Excess (Deficiency) of Revenues Over Expenditures	(65,366)	(65,366)	10,890	76,256
Cash Balance Beginning of Year	<u>65,582</u>	<u>65,582</u>	<u>65,582</u>	<u>0</u>
Cash Balance End of Year	\$ <u>216</u>	\$ <u>216</u>	\$ <u>76,472</u>	\$ <u>76,256</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,890	
Net Change in Accounts Payable			<u>2,103</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>12,993</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, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance Beginning of Year	2,327	2,327	2,327	0
Restatement	<u>(2,327)</u>	<u>(2,327)</u>	<u>(2,327)</u>	<u>0</u>
Restated Beginning Cash Balance	<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-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 43,651	\$ 54,572	\$ 27,319	\$ (27,253)
Total Revenues	<u>43,651</u>	<u>54,572</u>	<u>27,319</u>	<u>(27,253)</u>
Expenditures				
Instruction				
Personal Services	7,400	11,900	7,256	4,644
Employee Benefits	1,683	1,783	1,390	393
Other Purchased Services	1,500	1,500	168	1,332
Supplies	4,473	7,832	3,396	4,436
Total Instruction	<u>15,056</u>	<u>23,015</u>	<u>12,210</u>	<u>10,805</u>
Support Services-General Administration				
Professional & Tech Services	918	1,190	992	198
Total Support Services-General Administration	<u>918</u>	<u>1,190</u>	<u>992</u>	<u>198</u>
Support Services-School Administration				
Personnel Services	20,095	22,095	20,003	2,092
Employee Bennefits	9,169	9,859	7,936	1,923
Other Purchased Services	50	50	0	50
Total Suupport Services-School Administration	<u>29,314</u>	<u>32,004</u>	<u>27,939</u>	<u>4,065</u>
Total Expenditures	<u>45,288</u>	<u>56,209</u>	<u>41,141</u>	<u>15,068</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,637)</u>	<u>(1,637)</u>	<u>(13,822)</u>	<u>(12,185)</u>
Cash Balance Beginning of Year	6,059	6,059	6,059	0
Restatement	<u>(4,422)</u>	<u>(4,422)</u>	<u>(4,422)</u>	<u>0</u>
Restated Beginning Cash Balance	<u>1,637</u>	<u>1,637</u>	<u>1,637</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (12,185)</u>	<u>\$ (12,185)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,822)	
Net change in Deferred Revenue			12,185	
Net change in Due from Grantor			1,637	
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, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance Beginning of Year	2,151	2,151	2,151	0
Restatement	(2,151)	(2,151)	(2,151)	0
Restated Beginning Cash Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 12,242	\$ 20,523	\$ 11,969	\$ (8,554)
Total Revenues	<u>12,242</u>	<u>20,523</u>	<u>11,969</u>	<u>(8,554)</u>
Expenditures				
Instruction				
Personnel Services	3,160	3,640	3,444	196
Employee Benefits	940	1,075	0	1,075
Professional & Tech Services	3,600	3,600	2,542	1,058
Supplies	3,239	5,739	800	4,939
Supply Assets	0	4,500	4,047	453
Total Instruction	<u>10,939</u>	<u>18,554</u>	<u>10,833</u>	<u>7,721</u>
Support Services-General Administration				
Professional & Tech Services	247	413	286	127
Total Support Services-General Administration	<u>247</u>	<u>413</u>	<u>286</u>	<u>127</u>
Support Services-School Administration				
Professional & Tech Services	672	1,172	753	419
Total Support Services-School Administration	<u>672</u>	<u>1,172</u>	<u>753</u>	<u>419</u>
Total Expenditures	<u>11,858</u>	<u>20,139</u>	<u>11,872</u>	<u>8,267</u>
Excess (Deficiency) of Revenues Over Expenditures	384	384	97	(287)
Cash Balance Beginning of Year	<u>(384)</u>	<u>(384)</u>	<u>(384)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (287)</u>	<u>\$ (287)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 97	
Net change in Due from Grantor			<u>(97)</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 IV-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 14,842	\$ 2,397	\$ 2,397	\$ 0
Total Revenues	<u>14,842</u>	<u>2,397</u>	<u>2,397</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	10,107	1,573	1,573	0
Employee Benefits	<u>4,297</u>	<u>600</u>	<u>600</u>	<u>0</u>
Total Support Services-Students	<u>14,404</u>	<u>2,173</u>	<u>2,173</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	<u>268</u>	<u>54</u>	<u>54</u>	<u>0</u>
Total Support Services-General Administration	<u>268</u>	<u>54</u>	<u>54</u>	<u>0</u>
Total Expenditures	<u>14,672</u>	<u>2,227</u>	<u>2,227</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	170	170	170	0
Cash Balance Beginning of Year	<u>(170)</u>	<u>(170)</u>	<u>(170)</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			\$ 170	
Due from Grantor			<u>(170)</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-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, 2011

	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				
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance Beginning of Year	(31,170)	(31,170)	(31,170)	0
Restatement	31,170	31,170	31,170	0
Restated Beginning Cash Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net change in Due from Grantor			0	
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-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 61,450	\$ 119,427	\$ 110,841	\$ (8,586)
Total Revenues	<u>61,450</u>	<u>119,427</u>	<u>110,841</u>	<u>(8,586)</u>
Expenditures				
Instruction				
Personnel Services	23,723	26,734	26,732	2
Employee Benefits	4,797	5,392	5,387	5
Professional & Tech Services	18,000	68,993	67,624	1,369
Supplies	9,500	9,901	9,900	1
Total Instruction	<u>56,020</u>	<u>111,020</u>	<u>109,643</u>	<u>1,377</u>
Support Services-General Administration				
Other Purchased Services	1,482	2,754	2,754	0
Total Support Services-General Administration	<u>1,482</u>	<u>2,754</u>	<u>2,754</u>	<u>0</u>
Support Services-School Administration				
Professional & Tech Services	498	2,203	1,848	355
Total Support Services-School Administration	<u>498</u>	<u>2,203</u>	<u>1,848</u>	<u>355</u>
Total Expenditures	<u>58,000</u>	<u>115,977</u>	<u>114,245</u>	<u>1,732</u>
Excess (Deficiency) of Revenues Over Expenditures	3,450	3,450	(3,404)	(6,854)
Cash Balance Beginning of Year	<u>(3,450)</u>	<u>(3,450)</u>	<u>(3,450)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,854)</u>	<u>\$ (6,854)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,404)	
Net change in Due from Grantor			3,404	
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, 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 7,715	\$ 18,258	\$ 10,634	\$ (7,624)
Total Revenues	<u>7,715</u>	<u>18,258</u>	<u>10,634</u>	<u>(7,624)</u>
Expenditures				
Instruction				
Supplies	0	4,000	1,297	2,703
Total Instruction	<u>0</u>	<u>4,000</u>	<u>1,297</u>	<u>2,703</u>
Support Services-Students				
Supplies	0	0	926	(926)
Supply Assets	0	2,571	0	2,571
Total Support Services-Students	<u>0</u>	<u>2,571</u>	<u>926</u>	<u>1,645</u>
Support Services-General Administration				
Professional & Tech Services	0	972	376	596
Total Support Services-General Administration	<u>0</u>	<u>972</u>	<u>376</u>	<u>596</u>
Support Services-School Administration				
Supply Assets	0	3,000	320	2,680
Total Support Services-School Administration	<u>0</u>	<u>3,000</u>	<u>320</u>	<u>2,680</u>
Total Expenditures	<u>0</u>	<u>10,543</u>	<u>2,919</u>	<u>7,624</u>
Excess (Deficiency) of Revenues Over Expenditures	7,715	7,715	7,715	0
Cash Balance Beginning of Year	<u>(7,715)</u>	<u>(7,715)</u>	<u>(7,715)</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			\$ 7,715	
Net change in Due from Grantor			(7,715)	
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 432	\$ 12,846	\$ 11,303	\$ (1,543)
Total Revenues	<u>432</u>	<u>12,846</u>	<u>11,303</u>	<u>(1,543)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	3,285	3,283	2
Supplies	0	457	279	178
Supply Assets	0	216	0	216
Total Instruction	<u>0</u>	<u>3,958</u>	<u>3,562</u>	<u>396</u>
Support Services-Students				
Professional & Tech Services	0	5,105	5,102	3
Supplies	0	1,947	1,946	1
Total Support Services-Students	<u>0</u>	<u>7,052</u>	<u>7,048</u>	<u>4</u>
Support Services-General Administration				
Professional & Tech Services	0	6	6	0
Total Support Services-General Administration	<u>0</u>	<u>6</u>	<u>6</u>	<u>0</u>
Support Services-School Administration				
Supply Assets	0	1,398	1,398	0
Total Support Services-School Administration	<u>0</u>	<u>1,398</u>	<u>1,398</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,414</u>	<u>12,014</u>	<u>400</u>
Excess (Deficiency) of Revenues Over Expenditures	432	432	(711)	(1,143)
Cash Balance Beginning of Year	<u>(432)</u>	<u>(432)</u>	<u>(432)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,143)</u>	<u>\$ (1,143)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (711)	
Net change in Due from Grantor			711	
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-HOMELESS STIMULUS-24213
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 10,000	\$ 8,482	\$ (1,518)
Total Revenues	<u>0</u>	<u>10,000</u>	<u>8,482</u>	<u>(1,518)</u>
Expenditures				
Food Services				
Professional & Tech Services	0	8,500	8,482	18
Supplies	0	1,500	1,462	38
Total Food Services	<u>0</u>	<u>10,000</u>	<u>9,944</u>	<u>56</u>
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>9,944</u>	<u>56</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,462)	(1,462)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,462)</u>	<u>\$ (1,462)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,462)	
Net change in Due from Grantor			<u>1,462</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 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 86,213	\$ 86,213	\$ 166,351	\$ 80,138
Total Revenues	<u>86,213</u>	<u>86,213</u>	<u>166,351</u>	<u>80,138</u>
Expenditures				
Support Services-Students				
Personnel Services	104,600	100,601	100,157	444
Employee Benefits	40,268	40,553	36,371	4,182
Professional & Tech Services	10,300	12,909	12,261	648
Other Purchased Services	0	0	0	0
Supplies	700	735	733	2
Total Support Services-Students	<u>155,868</u>	<u>154,798</u>	<u>149,522</u>	<u>5,276</u>
Support Services-General Administration				
Professional & Tech Services	3,132	3,702	3,702	0
Total Support Services-General Administration	<u>3,132</u>	<u>3,702</u>	<u>3,702</u>	<u>0</u>
Support Services-School Administration				
Professional & Tech Services	0	500	346	154
Total Support Services-School Administration	<u>0</u>	<u>500</u>	<u>346</u>	<u>154</u>
Total Expenditures	<u>159,000</u>	<u>159,000</u>	<u>153,570</u>	<u>5,430</u>
Excess (Deficiency) of Revenues Over Expenditures	(72,787)	(72,787)	12,781	85,568
Cash Balance Beginning of Year	<u>72,787</u>	<u>72,787</u>	<u>72,787</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 85,568</u>	<u>\$ 85,568</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,781	
Net Change in Due from Grantor			(1,764)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 11,017</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 8,529	\$ 8,529	\$ 0
Total Revenues	<u>0</u>	<u>8,529</u>	<u>8,529</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	8,529	8,529	0
Total Instruction	<u>0</u>	<u>8,529</u>	<u>8,529</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>8,529</u>	<u>8,529</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- STATE FISCAL STABILIZATION PROGRAM-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 635,623	\$ 636,637	\$ 636,637	\$ 0
Total Revenues	<u>635,623</u>	<u>636,637</u>	<u>636,637</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	200,000	198,772	198,772	0
Employee Benefits	<u>54,767</u>	<u>51,824</u>	<u>51,824</u>	<u>0</u>
Total Instruction	<u>254,767</u>	<u>250,596</u>	<u>250,596</u>	<u>0</u>
Support Services-Instruction				
Personnel Services	0	3,497	3,497	0
Employee Benefits	<u>0</u>	<u>1,688</u>	<u>1,688</u>	<u>0</u>
Total Support Services-Instruction	<u>0</u>	<u>5,185</u>	<u>5,185</u>	<u>0</u>
Total Expenditures	<u>254,767</u>	<u>255,781</u>	<u>255,781</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	380,856	380,856	380,856	0
Cash Balance Beginning of Year	<u>(380,856)</u>	<u>(380,856)</u>	<u>(380,856)</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			\$ 380,856	
Net Change Due from Grantor			<u>(380,856)</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- EDUCATION JOB FUND-25255
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 689,154	\$ 689,154	\$ 0
Total Revenues	<u>0</u>	<u>689,154</u>	<u>689,154</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	523,454	523,454	0
Employee Benefits	<u>0</u>	<u>165,700</u>	<u>165,700</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>689,154</u>	<u>689,154</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>689,154</u>	<u>689,154</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change 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-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 13,988	\$ 5,977	\$ (8,011)
Total Revenues	<u>0</u>	<u>13,988</u>	<u>5,977</u>	<u>(8,011)</u>
Expenditures				
Instruction				
Supplies	0	13,988	13,843	145
Total Instruction	<u>0</u>	<u>13,988</u>	<u>13,843</u>	<u>145</u>
Total Expenditures	<u>0</u>	<u>13,988</u>	<u>13,843</u>	<u>145</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(7,866)	(7,866)
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>\$ (7,866)</u>	<u>\$ (7,866)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,866)	
Net Change Due from Grantor			<u>7,866</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 BOND-27105
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 21,281	\$ 25,044	\$ 21,281	\$ (3,763)
Total Revenues	<u>21,281</u>	<u>25,044</u>	<u>21,281</u>	<u>(3,763)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	3,763	3,443	320
Total Support Services-Instruction	<u>0</u>	<u>3,763</u>	<u>3,443</u>	<u>320</u>
Total Expenditures	<u>0</u>	<u>3,763</u>	<u>3,443</u>	<u>320</u>
Excess (Deficiency) of Revenues Over Expenditures	21,281	21,281	17,838	(3,443)
Cash Balance Beginning of Year	<u>(21,281)</u>	<u>(21,281)</u>	<u>(21,281)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,443)</u>	<u>\$ (3,443)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 17,838	
Net Change in Due from Grantor			<u>(17,838)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 14,456	\$ 0	\$ (14,456)
Total Revenues	<u>0</u>	<u>14,456</u>	<u>0</u>	<u>(14,456)</u>
Expenditures				
Instruction				
Supplies	0	6,594	6,594	0
Supply Assets	0	4,406	4,406	0
Total Instruction	<u>0</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services				0
Other Purchased Services	0	556	556	0
Supplies	0	9,349	9,349	0
Supply Assets	0	3,422	3,422	0
Total Support Services-General Administration	<u>0</u>	<u>13,327</u>	<u>13,327</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>24,327</u>	<u>24,327</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(9,871)	(24,327)	(14,456)
Cash Balance Beginning of Year	<u>38,958</u>	<u>38,958</u>	<u>38,958</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 38,958</u>	<u>\$ 29,087</u>	<u>\$ 14,631</u>	<u>\$ (14,456)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,327)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (24,327)</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, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance Beginning of Year	8,195	8,195	8,195	0
Restatement	<u>(8,195)</u>	<u>(8,195)</u>	<u>(8,195)</u>	<u>0</u>
Restated Beginning Cash Balance	<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>
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 9,237	\$ 9,237	\$ 9,237	\$ 0
Total Revenues	<u>9,237</u>	<u>9,237</u>	<u>9,237</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	0	0	0	0
Total Support Services-Students	<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	9,237	9,237	9,237	0
Cash Balance Beginning of Year	<u>(9,237)</u>	<u>(9,237)</u>	<u>(9,237)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,237	
Net change in Due from Grantor			<u>(9,237)</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, 2011

	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				
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>
Support Services Instruction				
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>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>1,165</u>	<u>1,165</u>	<u>1,165</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,165</u>	<u>\$ 1,165</u>	<u>\$ 1,165</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-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 11,511	\$ 11,511	\$ 0
Total Revenues	<u>0</u>	<u>11,511</u>	<u>11,511</u>	<u>0</u>
Expenditures				
Food Services				
Supplies	0	11,511	11,511	0
Total Food Services	<u>0</u>	<u>11,511</u>	<u>11,511</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>11,511</u>	<u>11,511</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 22,736	\$ 22,736	\$ 22,736	\$ 0
Total Revenues	<u>22,736</u>	<u>22,736</u>	<u>22,736</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	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	22,736	22,736	22,736	0
Cash Balance Beginning of Year	<u>(22,736)</u>	<u>(22,736)</u>	<u>(22,736)</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			\$ 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-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,054	\$ 1,054	\$ 301	\$ (753)
Total Revenues	<u>1,054</u>	<u>1,054</u>	<u>301</u>	<u>(753)</u>
Expenditures				
Support Services-Instruction				
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>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,054</u>	<u>1,054</u>	<u>301</u>	<u>(753)</u>
Cash Balance Beginning of Year	(1,054)	(1,054)	(1,054)	0
Restatement	<u>753</u>	<u>753</u>	<u>753</u>	<u>0</u>
Restated Beginning Cash Balance	<u>(301)</u>	<u>(301)</u>	<u>(301)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (753)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 301	
Net change in Due from Grantor			<u>(301)</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 BOOKS-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$	\$	\$	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance Beginning of Year	1,022	1,022	1,022	0
Restatement	<u>(753)</u>	<u>(753)</u>	<u>(753)</u>	<u>0</u>
Restated Beginning Cash Balance	<u>269</u>	<u>269</u>	<u>269</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 269</u>	<u>\$ 269</u>	<u>\$ 269</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 914,433	\$ 914,433	\$ 1,058,605	\$ 144,172
Interest Income	2,000	2,000	952	(1,048)
Total Revenues	<u>916,433</u>	<u>916,433</u>	<u>1,059,557</u>	<u>143,124</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	2,469	4,114	4,113	1
Total Support Services-General Administration	<u>2,469</u>	<u>4,114</u>	<u>4,113</u>	<u>1</u>
Debt Service				
Principal	840,000	840,000	840,000	0
Interest	0	74,433	74,433	0
Total Debt Service	<u>840,000</u>	<u>914,433</u>	<u>914,433</u>	<u>0</u>
Total Expenditures	<u>842,469</u>	<u>918,547</u>	<u>918,546</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	73,964	(2,114)	141,011	143,125
Cash Balance Beginning of Year	<u>877,746</u>	<u>877,746</u>	<u>877,746</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 951,710</u>	<u>\$ 875,632</u>	<u>\$ 1,018,757</u>	<u>\$ 143,125</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 141,011	
Net change in Taxes Receivable			21,318	
Net change in Deferred Revenue			19,415	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 181,744</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, 2011

	Balance 06/30/10	Receipts	Disbursements	Balance 06/30/11
ASSETS				
Red Ribbon Campaign	\$ 301	\$ 0	\$ 75	\$ 226
Book Fund	13,967	3,953	3,266	14,654
Elem Art Program	161	0	84	77
General Fund	1,344	0	267	1,077
Gifted Programs	2,837	0	621	2,216
Cafeteria General	0	17,668	17,668	0
Maintenance	15,224	0	10,074	5,150
Bull Dog/AHS Dance	560	300	860	0
Cisco Systems' Virtual	35	0	35	(0)
Summer School	0	36,179	29,409	6,770
Snack Bar	740	0	0	740
Yeso General	2,165	11,812	11,562	2,415
Central Memorial	2,138	0	0	2,138
Central General	4,145	1,767	1,319	4,593
Central Special Acct.	1,615	0	0	1,615
Grand Heights Gen.	4,711	7,426	10,171	1,966
Golf Boosters	542	3,690	1,378	2,854
Hermosa General	1,758	10,724	9,874	2,608
Hermosa Special	274	0	0	274
Penasco General	931	1,193	1,765	359
AHS Paw Prowlers	248	0	0	248
Roselawn General	1,321	6,683	4,846	3,158
Elem. Science P.I.E.	20	0	0	20
Yucca General	7,878	24,986	25,299	7,565
HS Activity Misc.	9,035	1,538	0	10,573
HS Boys A Club	8,821	4,225	5,494	7,552
HS Boys Track Team	5,597	8,997	14,118	476
HS Girls A Club	223	0	0	223
AIS Enrichment	2,095	6,061	6,549	1,607
Lou Smith Scholarship	2,061	500	1,600	961
J. Clark Bruce Scholarship	26	0	0	26
Estell Yates Special	8,410	150,632	159,042	0
Navajo Pie	71	740	811	0
Mack Chase Scholarship	62,433	40,000	40,000	62,433
HS Arts & Crafts	3,651	1,570	0	5,221
HS Annual Fund	0	20,100	16,068	4,032
AJHS Paw Prints	441	602	1,043	0
HS Band Fund	4,661	12,770	12,987	4,444
HS Baseball Boosters	3,222	24,138	22,778	4,582
HS Beacon	194	2,280	284	2,190
HS Girls Basketball	1,599	5,765	6,870	494
AHS Tennis	203	7,959	3,189	4,973
AHS Boys Basketball Camp	55	9,803	5,292	4,566
HS Cheerleaders	0	27,212	23,214	3,998
Yeso Library	\$ 4,565	\$ 3,128	\$ 2,916	\$ 4,777

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, 2011

	Balance 06/30/10	Receipts	Disbursements	Balance 06/30/11
HS Chorus	\$ 6,013	\$ 31,391	\$ 30,152	\$ 7,252
HS Night Classes	16,126	0	6,266	9,860
Workbook Fees	9,336	590	0	9,926
Science Scholarship	510	369	0	879
Class Of 2010	1,298	0	20	1,278
Class Of 2008	5,513	1,295	5,853	955
Zac Herrera Memorial	2,010	462	0	2,472
RDC Scholarship	5,666	0	3,250	2,416
Class Of 2009	870	5,465	2,616	3,719
Chase Special Projects	435,811	0	63,018	372,793
Rodeo	0	12,870	8,294	4,576
HS Cross Country	2,472	450	2,470	452
AHS Girls Soccer	6,185	4,937	7,981	3,141
Boys Soccer	4,047	3,181	6,154	1,074
Drivers Education	0	14,628	13,704	924
HS Deca	511	14,731	11,116	4,126
HS F.F.A.	3,099	104,910	104,782	3,227
AHS Volleyball	1,855	4,468	4,331	1,992
Grads Activity	4,310	620	649	4,281
HS Football Boosters	25,473	21,768	44,631	2,610
HS Football Playoffs	32,342	70,751	70,096	32,997
HS General	5,199	3,839	9,038	0
HS International Club	536	0	0	536
HS Health Occupations	846	0	0	846
HS Honor Society	0	1,354	824	530
Athletic General	0	5,290	0	5,290
HS Industrial Arts	3,831	4,313	5,571	2,573
Grads Co-Pay	457	23,624	21,242	2,839
HS Library	1,349	1,510	1,292	1,567
HS Locker Fund	1,822	0	0	1,822
HS Masquers	15	4,310	4,325	0
Math-Science Club	1,617	0	1,615	2
HS Ideal NM	262	0	0	262
Yeso Private Donations	0	12,854	6,201	6,653
HS BPA	4,736	21,016	25,752	0
Scholarship Fund	32,319	51,000	51,500	31,819
HS Key Club	1,311	0	0	1,311
HS Special Education	721	1,289	823	1,187
HS Student Council	565	900	95	1,370
HS Swimming Fund	5,615	1,932	5,383	2,164
HS Vocational Ag	3,396	17	315	3,098
HS Concessions	1,683	61,760	61,324	2,119
HS Vica-Auto Mechanics	71	4,095	3,185	981
Girls Softball	2,432	17,447	16,111	3,768
HS Testing	1,729	11,640	11,211	2,158
Park Activity Misc.	6,833	4,880	9,207	2,506
Park Annual	\$ 5,815	\$ 5,131	\$ 6,300	\$ 4,646

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, 2011

	Balance 06/30/10	Receipts	Disbursements	Balance 06/30/11
Park Vending	\$ 117	\$ 100	\$ 200	\$ 17
Park Arts & Crafts	1,544	1,288	0	2,832
Park Band	1	478	479	0
Park Cheerleaders	10,269	10,227	10,882	9,614
Park FHA	2,088	17,508	17,807	1,789
Park General	7,665	22,672	25,884	4,453
AJHS Football	832	61	0	893
Park Honor Society	1,051	836	57	1,830
AJHS Border Conf.	0	1,796	1,796	0
Park Industrial Arts	1,903	19,621	19,416	2,108
AJHS Track	2,077	723	1,638	1,162
Park Library	2,388	2,107	1,074	3,421
AHS Boys Athletics	1,012	407	861	558
AHS Super Computer	0	3,899	3,899	0
APS Trans	2,166	24,733	24,930	1,969
Park Student Council	8,675	0	1,211	7,464
Academic Decathlon	76	10,000	0	10,076
Zia General	12,667	9,501	13,791	8,377
Zia Library	142	13,150	12,340	952
District 4-AAA	421	0	0	421
Zia Grants	6	0	0	6
Zia Vending	1,069	6,706	5,874	1,901
Zia Band	12	1,995	2,007	(0)
5th Grade Choir	414	0	0	414
Zia Student Council	1,154	274	636	792
Teacher Scholarship	375	52	427	(0)
AHS Chorus	7,146	7,895	12,991	2,050
Children First	14	0	0	14
AHS Art	1,672	1,970	1,445	2,197
AHS Girls Ath.	1,926	524	968	1,482
NMAA District Chair	5,252	20,190	21,920	3,522
AHS Bowling	2,991	5,000	4,354	3,637
Flex System	2,744	483	3,227	(0)
NMPSIA	2,801	316	3,117	0
Special Projects 1	2,126	0	362	1,764
Interest on Investments	2,590	2,105	0	4,695
Total Assets	<u>\$ 914,262</u>	<u>\$ 1,172,105</u>	<u>\$ 1,271,118</u>	<u>\$ 815,249</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 914,262</u>	<u>\$ 1,172,105</u>	<u>\$ 1,271,118</u>	<u>\$ 815,249</u>
Total Liabilities	<u>\$ 914,262</u>	<u>\$ 1,172,105</u>	<u>\$ 1,271,118</u>	<u>\$ 815,249</u>

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, 2011

		Beginning Cash 6/30/10	Revenues	Expenditures	Adjustments	Ending Cash 6/30/11
Operational	11000	\$ 2,056,503	\$ 24,807,437	\$ 24,968,783	\$ 0	\$ 1,895,157
Teacherage	12000	30,716	71,753	42,103	0	60,366
Transportation	13000	936	1,387,013	1,387,949	0	0
Instructional Materials	14000	58,796	141,947	173,778	0	26,965
Food Services	21000	42,140	1,327,826	1,335,477	0	34,489
Athletics	22000	65,581	181,737	170,847	0	76,471
Federal Flowthrough	24000	(124,185)	1,626,130	1,935,508	4,978	(428,585)
Federal Direct	25000	(308,069)	1,500,673	1,107,034	0	85,570
State Flowthrough	27000	(4,967)	71,041	53,124	(8,195)	4,755
HB 33	31600	9,612,315	6,810,594	7,357,662	0	9,065,247
SB-9	31700	1,550,927	3,213,493	2,805,095	0	1,959,325
Debt Service	41000	877,746	1,059,556	918,545	0	1,018,757
Agency Funds		914,261	1,172,103	1,271,115	0	815,249
Total		\$ <u>14,772,701</u>	\$ <u>43,371,303</u>	\$ <u>43,527,020</u>	\$ <u>(3,217)</u>	\$ <u>14,613,767</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, 2011

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
National School Lunch Program	10.555	21000	\$ 622,071
School Breakfast Program	10.553	21000	315,486
Total Child Nutrition Cluster			<u>937,557</u>
Pass-through State Department of Human Services:			
Commodities Program	10.565	21000 (1)	70,052
Direct Program			
Forest Reserve	10.670	11000 (1)	<u>16,204</u>
Total U. S. Department of Agriculture			\$ <u>1,023,813</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA, Part B Entitlement	84.027	24106	\$ 812,872
IDEA, Part B, Recovery Act	84.391	24206	2,920
IDEA Preschool	84.173	24109	41,142
IDEA Preschool Recovery Act	84.392	24209	12,014
Total Special Education Cluster			<u>868,948</u>
Title I	84.010	24101	706,695
Title I Recovery Act	84.389	24201	114,246
English Language Acquisition	84.365	24153	11,872
Improving Teacher Quality	84.367	24154	221,459
Safe & Drug-Free Schools & Communities	84.186	24157	2,226
Education for Homeless Children	84.387	24213	9,944
Education Job Fund	84.410	25255	689,154
State Fiscal Stabilization Program	84.394	25250	255,781
Total U. S. Department of Education			\$ <u>2,880,325</u>
<u>Department of Health & Human Services</u>			
Direct Program:			
Temporary Assistance for Needy Families	93.558	25162	<u>8,529</u>
Total Department of Health & Human Services			<u>8,529</u>
Total Federal Assistance			\$ <u>3,912,667</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, 2011

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.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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 of the general fund and major special revenue funds, the budgetary comparisons for the major capital project funds and the combining individual funds and related budgetary comparison presented as supplemental information of the Artesia Public School District No. 22 (District) as of and for the year ended June 30, 2011, and have issued our report thereon dated August 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs; 10-1, 10-3, and 11-1.

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

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

De'Ann Willoughby CPA PC

August 26, 2011

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 No. 22 (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

De'Ann Willoughby CPA PC

August 26, 2011

STATE OF NEW MEXICO
ARTESIA PUBLIC SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- * Material Weakness(es) 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:

- * Material Weakness(es) 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>
84.010	Title I
84.389	Title I Recovery Act
84.410	Education Job Fund
84.394	State Fiscal Stabilization Program

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

		<u>Status</u>
10-1	REPORTING OF INSURANCE PREMIUMS	Repeated & Modified
10-2	941 PAYROLL TAX DEPOSITS	Resolved
10-3	PAYROLL PROCEDURES	Repeated & Modified

Current Year Audit Findings

10-1 REPORTING OF INSURANCE PREMIUMS

Condition

In reviewing the six employees that the percent was wrong the prior year, we have concluded that 3 of the 6 were corrected. The remaining three after further procedures realized that these employees work more than the 20 hours required by NMPSIA to be eligible to be covered by them. The District requires any employee who works less than 6 hours per day to pay 50% of the premium. The employer should not require these employees to pay 50% they should pay the % that they fall into according to NMPSIA's scale. The district could be at risk to reimburse these employees the difference between the 50% they paid the % they fall into on NMPSIA's scale.

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.

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.

Effect

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

Recommendation

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

Response

We will change our procedures and pay the insurance premiums as required by NMPSIA.

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.

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.

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.

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

The change in payroll occurred beginning July 1, 2011.

11-1 Use of a Credit Card by the District**Condition**

The District has a Sam's credit card with a credit limit of \$25,000.

Criteria

In accordance with Laws of 2007, Regular session, Chapter 28, Section 3, Subsection L states, "Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by section 6-5-9(I) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2007 may be expended for payment of agency-issued credit card invoices."

Effect

The District potentially could lose spending control with these cards as the purchases do not have to follow the District's purchase order system. In addition the District has a potential risk of loss and theft through inappropriate purchases by an employee or the loss of control of the credit card number resulting in fraudulent use.

Cause

The District did not consider a Sam's credit card as a typical credit card.

Response

The District will apply for a P Card and cancel the Sam's credit card.

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 August 26, 2011. Present were Mike Phipps-Superintendent, Johnny Saiz-Assistant Superintendent, Margaret Aguilar-Board Secretary, Crit Caton-Audit Committee Member, Melany Cardwell, audit committee, Jacquelyn Sanderson-Business Manager and DeAun Willoughby, CPA