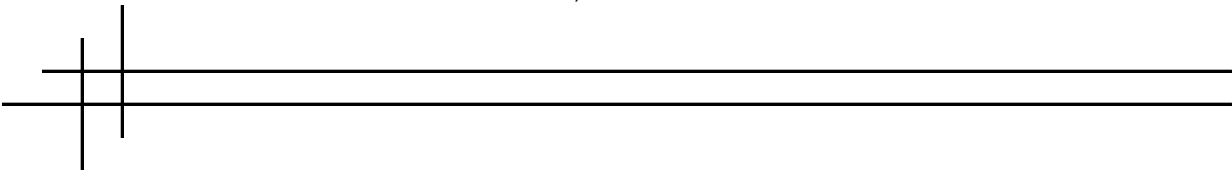


STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2012

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
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 For the Year Ended June 30, 2012

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STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
Official Roster  
June 30, 2012

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**BOARD OF EDUCATION**

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

**SCHOOL OFFICIALS**

|                     |   |
|---------------------|---|
| Dr. Crit D. Caton   | Superintendent                          |
| J.R. Null           | Assistant Superintendent for Curriculum |
| Johnny Saiz         | Assistant Superintendent for Operations |
| Jacquelyn Sanderson | Business Manager                        |

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 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

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, 2012, 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, 2012, 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, 2012, 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, 2012, 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 September 20, 2012 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.

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*De'Aun Willoughby, CPA PC*

September 20, 2012

## **FINANCIAL SECTION**



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Government-Wide Statement of Net Assets  
 June 30, 2012

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>                                      |                                    |
| Current Assets                                     |                                    |
| Cash and Cash Equivalents                          | \$ 12,683,094                      |
| Property Taxes Receivable                          | 1,178,547                          |
| Due from Grantor                                   | 524,542                            |
| Inventory  | 5,877                              |
| Total Current Assets                               | <u>14,392,060</u>                  |
| Noncurrent Assets                                  |                                    |
| Capital Assets                                     | 95,064,695                         |
| Less: Accumulated Depreciation                     | <u>(45,801,565)</u>                |
| Total Noncurrent Assets                            | <u>49,263,130</u>                  |
| Total Assets                                       | <u>63,655,190</u>                  |
| <b>LIABILITIES</b>                                 |                                    |
| Current Liabilities                                |                                    |
| Accounts Payable                                   | 116,938                            |
| Accrued Interest                                   | 14,773                             |
| Current Portion of Long-Term Debt                  | 900,000                            |
| Total Current Liabilities                          | <u>1,031,711</u>                   |
| Noncurrent Liabilities                             |                                    |
| Compensated Absences                               | 148,184                            |
| Bonds and Notes, Net                               | 174,790                            |
| Total Noncurrent Liabilities                       | <u>322,974</u>                     |
| Total Liabilities                                  | <u>1,354,685</u>                   |
| <b>NET ASSETS</b>                                  |                                    |
| Invested in Capital Assets, Net of<br>Related Debt | 48,188,340                         |
| Restricted for                                     |                                    |
| Retirement of Long-Term Debt                       | 1,389,751                          |
| Unrestricted                                       | 12,722,414                         |
| Total Net Assets                                   | <u>\$ 62,300,505</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, 2012

| Functions/Programs  | Expenses             | Program Revenues        |  | Net (Expenses)<br>Revenue and<br>Changes in<br>Net Assets |  |
|---|----------------------|-------------------------|--|---|--|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions |   | Capital<br>Grants and<br>Contributions |
| <b>Governmental Activities</b>                              |                      |                         |  |   |  |
| Instruction   | \$ 24,240,983        | \$ 542,194              | \$ 1,402,019                             | \$ 0  | \$ (22,296,770)                        |
| Support Services-Students                                   | 2,223,767            | 137,606                 | 145,286                                  | 0   | (1,940,875)                            |
| Support Services-Instruction                                | 775,368              | 0                       | 16,375                                   | 0   | (758,993)                              |
| General Administration                                      | 571,361              | 0                       | 42,884                                   | 0   | (528,477)                              |
| School Administration                                       | 2,310,359            | 0                       | 347,915                                  | 0   | (1,962,444)                            |
| Central Services  | 618,869              | 0                       | 0  | 0   | (618,869)                              |
| Operation of Plant  | 4,734,250            | 85,586                  | 0  | 0   | (4,648,664)                            |
| Student Transportation                                      | 1,397,576            | 0                       | 1,401,697                                | 0   | 4,121                                  |
| Food Services Operations                                    | 1,469,452            | 424,042                 | 1,035,313                                | 0   | (10,097)                               |
| Community Service   | 67,530               | 0                       | 0  | 0   | (67,530)                               |
| Other   | 45,155               | 0                       | 0  | 0   | (45,155)                               |
| Interest on Long-Term<br>Obligations                        | 47,712               | 0                       | 0  | 0   | (47,712)                               |
| Total Governmental<br>Activities                            | <u>\$ 38,502,382</u> | <u>\$ 1,189,428</u>     | <u>\$ 4,391,489</u>                      | <u>\$ 0</u>   | <u>(32,921,465)</u>                    |
| <b>General Revenues</b>                                     |                      |                         |  |   |  |
| Taxes   |                      |                         |  |   |  |
| Property Taxes, Levied for General Purposes                 |                      |                         |  |   | 997,345                                |
| Property Taxes, Levied for Capital Projects                 |                      |                         |  |   | 12,909,243                             |
| Property Taxes, Levied for Debt Service                     |                      |                         |  |   | 1,209,162                              |
| Federal and State aid not restricted to<br>specific purpose |                      |                         |  |   |  |
| General   |                      |                         |  |   | 23,699,288                             |
| Capital   |                      |                         |  |   | 0                                      |
| Interest and investment earnings                            |                      |                         |  |   | 20,865                                 |
| Miscellaneous   |                      |                         |  |   | 177,794                                |
| Subtotal, General Revenues                                  |                      |                         |  |   | <u>39,013,697</u>                      |
| Change in Net Assets  |                      |                         |  |   | 6,092,232                              |
| Net Assets - beginning                                      |                      |                         |  |   | <u>56,208,273</u>                      |
| Net Assets - ending   |                      |                         |  |   | <u>\$ 62,300,505</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, 2012

|  | General Fund         |                     |                         |
|--|----------------------|---------------------|-------------------------|
|  | Operational<br>11000 | Teacherage<br>12000 | Transportation<br>13000 |
| <b>ASSETS</b>                              |                      |                     |                         |
| Cash and Cash Equivalents                  | \$ 940,239           | \$ 49,645           | \$ 0                    |
| Receivables                                |                      |                     |                         |
| Property Taxes                             | 77,935               | 0                   | 0                       |
| Due From Grantor                           | 0                    | 0                   | 0                       |
| Interfund Balances                         | 524,225              | 0                   | 0                       |
| Inventory                                  | 0                    | 0                   | 0                       |
| <b>Total Assets</b>                        | <b>\$ 1,542,399</b>  | <b>\$ 49,645</b>    | <b>\$ 0</b>             |
| <b>LIABILITIES AND FUND BALANCE</b>        |                      |                     |                         |
| <b>Liabilities</b>                         |                      |                     |                         |
| Interfund Balances                         | \$ 0                 | \$ 0                | \$ 0                    |
| Accounts Payable                           | 43,662               | 509                 | 0                       |
| Deferred Revenue                           | 4,539                | 0                   | 0                       |
| <b>Total Liabilities</b>                   | <b>48,201</b>        | <b>509</b>          | <b>0</b>                |
| <b>Fund Balances</b>                       |                      |                     |                         |
| 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                   | 1,494,198            | 49,136              | 0                       |
| <b>Total Fund Balances</b>                 | <b>1,494,198</b>     | <b>49,136</b>       | <b>0</b>                |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,542,399</b>  | <b>\$ 49,645</b>    | <b>\$ 0</b>             |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2012

|                                     | <u>General Fund</u>                 | <u>Special<br/>Revenue</u> | <u>Capital Projects</u> |
|-------------------------------------|-------------------------------------|----------------------------|-------------------------|
|                                     | Instructional<br>Materials<br>14000 | Title I<br>24101           | House Bill 33<br>31600  |
| <b>ASSETS</b>                       |                                     |                            |                         |
| Cash and Cash Equivalents           | \$ 26,538                           | \$ 0                       | \$ 7,456,692            |
| Receivables                         |                                     |                            |                         |
| Property Taxes                      | 0                                   | 0                          | 698,720                 |
| Due From Grantor                    | 0                                   | 208,395                    | 0                       |
| Interfund Balances                  | 0                                   | 0                          | 0                       |
| Inventory                           | 0                                   | 0                          | 0                       |
| Total Assets                        | <u>\$ 26,538</u>                    | <u>\$ 208,395</u>          | <u>\$ 8,155,412</u>     |
| <b>LIABILITIES AND FUND BALANCE</b> |                                     |                            |                         |
| <b>Liabilities</b>                  |                                     |                            |                         |
| Interfund Balances                  | \$ 0                                | \$ 208,254                 | \$ 0                    |
| Accounts Payable                    | 0                                   | 141                        | 21,578                  |
| Deferred Revenue                    | 0                                   | 0                          | 44,604                  |
| Total Liabilities                   | <u>0</u>                            | <u>208,395</u>             | <u>66,182</u>           |
| <b>Fund Balances</b>                |                                     |                            |                         |
| 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                          | 8,089,230               |
| Unassigned- General Fund            | <u>26,538</u>                       | <u>0</u>                   | <u>0</u>                |
| Total Fund Balances                 | <u>26,538</u>                       | <u>0</u>                   | <u>8,089,230</u>        |
| Total Liabilities and Fund Balances | <u>\$ 26,538</u>                    | <u>\$ 208,395</u>          | <u>\$ 8,155,412</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, 2012

|                                     | <u>Capital Projects</u>               |   |   |
|-------------------------------------|---------------------------------------|---|---|
|                                     | <u>Senate<br/>Bill Nine<br/>31700</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
| <b>ASSETS</b>                       |                                       |   |   |
| Cash and Cash Equivalents           | \$ 2,735,908                          | \$ 1,474,072                            | \$ 12,683,094                           |
| Receivables                         |                                       |   |   |
| Property Taxes                      | 313,822                               | 88,070                                  | 1,178,547                               |
| Due From Grantor                    | 0                                     | 316,147                                 | 524,542                                 |
| Interfund Balances                  | 0                                     | 0                                       | 524,225                                 |
| Inventory                           | 0                                     | 5,877                                   | 5,877                                   |
| Total Assets                        | <u>\$ 3,049,730</u>                   | <u>\$ 1,884,166</u>                     | <u>\$ 14,916,285</u>                    |
| <b>LIABILITIES AND FUND BALANCE</b> |                                       |   |   |
| <b>Liabilities</b>                  |                                       |   |   |
| Interfund Balances                  | \$ 0                                  | \$ 315,971                              | \$ 524,225                              |
| Accounts Payable                    | 49,810                                | 1,238                                   | 116,938                                 |
| Deferred Revenue                    | 19,817                                | 6,677                                   | 75,637                                  |
| Total Liabilities                   | <u>69,627</u>                         | <u>323,886</u>                          | <u>716,800</u>                          |
| <b>Fund Balances</b>                |                                       |   |   |
| Nonspendable-Inventory              | 0                                     | 5,877                                   | 5,877                                   |
| Restricted for, reported in         |                                       |   |   |
| Special Revenue Funds               | 0                                     | 164,652                                 | 164,652                                 |
| Debt Service                        | 0                                     | 1,389,751                               | 1,389,751                               |
| Assigned-Capital Projects           | 2,980,103                             | 0                                       | 11,069,333                              |
| Unassigned- General Fund            | 0                                     | 0                                       | 1,569,872                               |
| Total Fund Balances                 | <u>2,980,103</u>                      | <u>1,560,280</u>                        | <u>14,199,485</u>                       |
| Total Liabilities and Fund Balances | <u>\$ 3,049,730</u>                   | <u>\$ 1,884,166</u>                     | <u>\$ 14,916,285</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, 2012

---

Total Fund Balance - Governmental Funds \$ 14,199,485

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  | \$ 95,064,695       |            |
| Accumulated depreciation is | <u>(45,801,565)</u> | 49,263,130 |

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.

75,637

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             | (1,090,000)      |                    |
| Issue Costs               | 152,115          |                    |
| Accumulated Amortization  | (136,905)        |                    |
| Accrued interest on bonds | (14,773)         |                    |
| Compensated Absences      | <u>(148,184)</u> | <u>(1,237,747)</u> |

Total net assets - governmental activities \$ 62,300,505

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, 2012

|  | General Fund         |                     |                         |
|--|----------------------|---------------------|-------------------------|
|  | Operational<br>11000 | Teacherage<br>12000 | Transportation<br>13000 |
| <b>Revenues</b>  |                      |                     |                         |
| Property Taxes   | \$ 999,420           | \$ 0                | \$ 0                    |
| Interest Income  | 6,974                | 0                   | 0                       |
| Fees   | 363,205              | 0                   | 0                       |
| State & Local Grants   | 23,682,144           | 0                   | 1,401,697               |
| Federal Grants   | 17,144               | 0                   | 0                       |
| Miscellaneous  | 73,235               | 85,586              | 0                       |
| <b>Total Revenues</b>  | <b>25,142,122</b>    | <b>85,586</b>       | <b>1,401,697</b>        |
| <b>Expenditures</b>  |                      |                     |                         |
| <b>Current</b>   |                      |                     |                         |
| Instruction  | 16,988,790           | 0                   | 0                       |
| Support Service-Students                                     | 1,936,894            | 0                   | 0                       |
| Support Services-Instruction                                 | 757,864              | 0                   | 0                       |
| Support Services-General Administration                      | 505,206              | 0                   | 0                       |
| Support Services-School Administration                       | 1,935,546            | 0                   | 0                       |
| Central Services   | 605,257              | 0                   | 0                       |
| Operation & Maintenance of Plant                             | 2,734,546            | 88,718              | 0                       |
| Transportation   | 0                    | 0                   | 1,401,697               |
| Other  | 45,155               | 0                   | 0                       |
| Community Services   | 67,530               | 0                   | 0                       |
| Food Services  | 0                    | 0                   | 0                       |
| Capital Outlay   | 0                    | 6,699               | 0                       |
| <b>Debt Service</b>  |                      |                     |                         |
| Principal  | 0                    | 0                   | 0                       |
| Interest   | 0                    | 0                   | 0                       |
| <b>Total Expenditures</b>                                    | <b>25,576,788</b>    | <b>95,417</b>       | <b>1,401,697</b>        |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>(434,666)</b>     | <b>(9,831)</b>      | <b>0</b>                |
| <b>Other Financing Sources (Uses)</b>                        |                      |                     |                         |
| Transfers  | 16,065               | 0                   | 0                       |
| <b>Total Other Sources (Uses)</b>                            | <b>16,065</b>        | <b>0</b>            | <b>0</b>                |
| <b>Net Change in Fund Balance</b>                            | <b>(418,601)</b>     | <b>(9,831)</b>      | <b>0</b>                |
| <b>Fund Balance Beginning of Year</b>                        | <b>1,912,799</b>     | <b>58,967</b>       | <b>0</b>                |
| <b>Fund Balance End of Year</b>                              | <b>\$ 1,494,198</b>  | <b>\$ 49,136</b>    | <b>\$ 0</b>             |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2012

|  | <u>General Fund</u>                          | <u>Special<br/>Revenue</u> | <u>Capital Projects</u>        |
|--|--|----------------------------|--------------------------------|
|  | <u>Instructional<br/>Materials<br/>14000</u> | <u>Title I<br/>24101</u>   | <u>House Bill 33<br/>31600</u> |
| <b>Revenues</b>                                      |  |                            |                                |
| Property Taxes                                       | \$ 0   | \$ 0                       | \$ 8,905,068                   |
| Interest Income                                      | 0  | 0                          | 9,941                          |
| Fees   | 0  | 0                          | 0                              |
| State & Local Grants                                 | 154,585                                      | 0                          | 0                              |
| Federal Grants                                       | 0  | 767,480                    | 0                              |
| Miscellaneous  | 0  | 0                          | 1,467                          |
| Total Revenues                                       | <u>154,585</u>                               | <u>767,480</u>             | <u>8,916,476</u>               |
| <b>Expenditures</b>                                  |  |                            |                                |
| <b>Current</b>                                       |  |                            |                                |
| Instruction  | 155,012                                      | 566,122                    | 976,742                        |
| Support Service-Students                             | 0  | 0                          | 0                              |
| Support Services-Instruction                         | 0  | 0                          | 0                              |
| Support Services-General Administration              | 0  | 18,500                     | 18,312                         |
| Support Services-School Administration               | 0  | 182,858                    | 0                              |
| Central Services                                     | 0  | 0                          | 0                              |
| Operation & Maintenance of Plant                     | 0  | 0                          | 98,327                         |
| Transportation                                       | 0  | 0                          | 0                              |
| Other  | 0  | 0                          | 0                              |
| Community Services                                   | 0  | 0                          | 0                              |
| Food Services  | 0  | 0                          | 0                              |
| Capital Outlay                                       | 0  | 0                          | 9,237,948                      |
| <b>Debt Service</b>                                  |  |                            |                                |
| Principal  | 0  | 0                          | 0                              |
| Interest   | 0  | 0                          | 0                              |
| Total Expenditures                                   | <u>155,012</u>                               | <u>767,480</u>             | <u>10,331,329</u>              |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>(427)</u>                                 | <u>0</u>                   | <u>(1,414,853)</u>             |
| <b>Other Financing Sources (Uses)</b>                |  |                            |                                |
| Transfers  | 0  | 0                          | 0                              |
| Total Other Sources (Uses)                           | <u>0</u>                                     | <u>0</u>                   | <u>0</u>                       |
| Net Change in Fund Balance                           | (427)  | 0                          | (1,414,853)                    |
| Fund Balance Beginning of Year                       | <u>26,965</u>                                | <u>0</u>                   | <u>9,504,083</u>               |
| Fund Balance End of Year                             | <u>\$ 26,538</u>                             | <u>\$ 0</u>                | <u>\$ 8,089,230</u>            |

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2012

|  | <u>Capital Projects</u>               |   |   |
|--|---------------------------------------|---|---|
|  | <u>Senate<br/>Bill Nine<br/>31700</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
| Revenues   |                                       |   |   |
| Property Taxes                                       | \$ 4,030,381                          | \$ 1,212,504                            | \$ 15,147,373                           |
| Interest Income                                      | 2,578                                 | 1,372                                   | 20,865                                  |
| Fees   | 0                                     | 740,637                                 | 1,103,842                               |
| State & Local Grants                                 | 0                                     | 20,158                                  | 25,258,584                              |
| Federal Grants                                       | 0                                     | 2,047,569                               | 2,832,193                               |
| Miscellaneous  | 102,946                               | 146                                     | 263,380                                 |
| Total Revenues                                       | <u>4,135,905</u>                      | <u>4,022,386</u>                        | <u>44,626,237</u>                       |
| Expenditures   |                                       |   |   |
| Current  |                                       |   |   |
| Instruction  | 889,140                               | 856,753                                 | 20,432,559                              |
| Support Service-Students                             | 0                                     | 286,873                                 | 2,223,767                               |
| Support Services-Instruction                         | 0                                     | 16,375                                  | 774,239                                 |
| Support Services-General Administration              | 8,083                                 | 30,596                                  | 580,697                                 |
| Support Services-School Administration               | 0                                     | 183,154                                 | 2,301,558                               |
| Central Services                                     | 0                                     | 0                                       | 605,257                                 |
| Operation & Maintenance of Plant                     | 1,811,798                             | 0                                       | 4,733,389                               |
| Transportation                                       | 0                                     | 0                                       | 1,401,697                               |
| Other  | 0                                     | 0                                       | 45,155                                  |
| Community Services                                   | 0                                     | 0                                       | 67,530                                  |
| Food Services  | 0                                     | 1,469,452                               | 1,469,452                               |
| Capital Outlay                                       | 589,876                               | 0                                       | 9,834,523                               |
| Debt Service   |                                       |   |   |
| Principal  | 0                                     | 870,000                                 | 870,000                                 |
| Interest   | 0                                     | 48,896                                  | 48,896                                  |
| Total Expenditures                                   | <u>3,298,897</u>                      | <u>3,762,099</u>                        | <u>45,388,719</u>                       |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>837,008</u>                        | <u>260,287</u>                          | <u>(762,482)</u>                        |
| Other Financing Sources (Uses)                       |                                       |   |   |
| Transfers  | 0                                     | (16,065)                                | 0                                       |
| Total Other Sources (Uses)                           | <u>0</u>                              | <u>(16,065)</u>                         | <u>0</u>                                |
| Net Change in Fund Balance                           | 837,008                               | 244,222                                 | (762,482)                               |
| Fund Balance Beginning of Year                       | <u>2,143,095</u>                      | <u>1,316,058</u>                        | <u>14,961,967</u>                       |
| Fund Balance End of Year                             | <u>\$ 2,980,103</u>                   | <u>\$ 1,560,280</u>                     | <u>\$ 14,199,485</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, 2012

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Net Change in Fund Balance-Governmental Funds \$ (762,482)

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, 2011 | (107,260)     |          |
| Property Taxes Receivable, June 30, 2012 | <u>75,637</u> | (31,623) |

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 | \$ (3,808,262)   |           |
| Capital Outlays      | <u>9,834,523</u> | 6,026,261 |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 870,000

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, 2011 | 31,169          |        |
| Accrued Interest, June 30, 2012 | <u>(14,773)</u> | 16,396 |

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, 2011 | 137,075          |                 |
| Compensated Absences, June 30, 2012 | <u>(148,183)</u> | <u>(11,108)</u> |

Changes in Net Assets of Governmental Activities \$ 6,092,232

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, 2012

|  | Budgeted Amounts  |                   | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
|  | Original          | Final             |                                |   |
| <b>Revenues</b>                                |                   |                   |                                |   |
| Property Taxes                                 | \$ 763,984        | \$ 763,984        | \$ 977,625                     | \$ 213,641  |
| Interest Income                                | 11,000            | 11,000            | 6,974                          | (4,026)   |
| Fees   | 225,000           | 225,000           | 363,205                        | 138,205   |
| State Grant                                    | 23,779,584        | 23,779,584        | 23,682,144                     | (97,440)  |
| Federal Grant                                  | 14,584            | 14,584            | 17,144                         | 2,560   |
| Miscellaneous                                  | 120,225           | 120,225           | 73,235                         | (46,990)  |
| Total Revenues                                 | <u>24,914,377</u> | <u>24,914,377</u> | <u>25,120,327</u>              | <u>205,950</u>                                    |
| <b>Expenditures</b>                            |                   |                   |                                |   |
| <b>Instruction</b>                             |                   |                   |                                |   |
| Personnel Services                             | 12,671,307        | 12,846,388        | 12,790,311                     | 56,077  |
| Employee Benefits                              | 4,015,102         | 3,774,656         | 3,678,135                      | 96,521  |
| Professional & Tech Services                   | 114,900           | 122,600           | 110,626                        | 11,974  |
| Other Purchased Services                       | 149,575           | 197,240           | 192,036                        | 5,204   |
| Supplies                                       | 225,000           | 235,000           | 225,966                        | 9,034   |
| Total Instruction                              | <u>17,175,884</u> | <u>17,175,884</u> | <u>16,997,074</u>              | <u>178,810</u>                                    |
| <b>Support Services-Students</b>               |                   |                   |                                |   |
| Personnel Services                             | 1,285,837         | 1,285,282         | 1,266,450                      | 18,832  |
| Employee Benefits                              | 471,706           | 426,677           | 363,535                        | 63,142  |
| Professional & Tech Services                   | 412,220           | 456,917           | 311,452                        | 145,465   |
| Other Purchased Services                       | 50                | 50                | 11                             | 39  |
| Supplies                                       | 2,000             | 2,887             | 2,886                          | 1   |
| Support Services-Students                      | <u>2,171,813</u>  | <u>2,171,813</u>  | <u>1,944,334</u>               | <u>227,479</u>                                    |
| <b>Support Services-Instruction</b>            |                   |                   |                                |   |
| Personnel Services                             | 512,005           | 536,398           | 534,993                        | 1,405   |
| Employee Benefits                              | 266,772           | 240,881           | 199,269                        | 41,612  |
| Professional & Tech Services                   | 50                | 32                | 0                              | 32  |
| Other Purchased Services                       | 0                 | 1,516             | 1,515                          | 1   |
| Supplies                                       | 22,387            | 22,387            | 22,087                         | 300   |
| Support Services-Instruction                   | <u>801,214</u>    | <u>801,214</u>    | <u>757,864</u>                 | <u>43,350</u>                                     |
| <b>Support Services-General Administration</b> |                   |                   |                                |   |
| Personnel Services                             | 316,458           | 347,980           | 325,050                        | 22,930  |
| Employee Benefits                              | 84,044            | 88,080            | 87,861                         | 219   |
| Professional & Tech Services                   | 47,917            | 61,848            | 49,888                         | 11,960  |
| Other Purchased Services                       | 22,370            | 27,978            | 24,538                         | 3,440   |
| Supplies                                       | 21,150            | 24,650            | 19,399                         | 5,251   |
| Total Support Services-General Administration  | <u>\$ 491,939</u> | <u>\$ 550,536</u> | <u>\$ 506,736</u>              | <u>\$ 43,800</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, 2012

|   | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|---|------------------|---------------|--------------------------------|---|
|   | Original         | Final         |                                |   |
| <b>Support Services-School Administration</b> |                  |               |                                |   |
| Personnel Services                            | \$ 1,486,284     | \$ 1,493,746  | \$ 1,491,585                   | \$ 2,161  |
| Employee Benefits                             | 422,378          | 423,333       | 416,887                        | 6,446   |
| Professional & Tech Services                  | 5,500            | 11,472        | 11,221                         | 251   |
| Other Purchased Services                      | 1,000            | 1,604         | 1,604                          | 0   |
| Supplies                                      | 18,000           | 18,500        | 17,962                         | 538   |
| Total Support Services-School Administration  | 1,933,162        | 1,948,655     | 1,939,259                      | 9,396   |
| <b>Central Services</b>                       |                  |               |                                |   |
| Personnel Services                            | 422,373          | 457,470       | 457,469                        | 1   |
| Employee Benefits                             | 104,359          | 125,470       | 125,019                        | 451   |
| Professional & Tech Services                  | 8,300            | 10,906        | 10,905                         | 1   |
| Other Purchased Services                      | 3,500            | 3,500         | 3,024                          | 476   |
| Supplies                                      | 25,000           | 12,100        | 8,644                          | 3,456   |
| Total Central Services                        | 563,532          | 609,446       | 605,061                        | 4,385   |
| <b>Operation &amp; Maintenance of Plant</b>   |                  |               |                                |   |
| Personnel Services                            | 1,082,385        | 1,198,040     | 1,128,818                      | 69,222  |
| Employee Benefits                             | 390,185          | 423,668       | 414,558                        | 9,110   |
| Professional & Tech Services                  | 1,747,207        | 1,463,409     | 0                              | 1,463,409   |
| Purchased Property Services                   | 0                | 0             | 1,069,294                      | (1,069,294)                                       |
| Other Purchased Services                      | 1,000            | 1,500         | 1,445                          | 55  |
| Supplies                                      | 90,000           | 90,000        | 89,956                         | 44  |
| Total Operation & Maintenance of Plant        | 3,310,777        | 3,176,617     | 2,704,071                      | 472,546   |
| <b>Other Support Services</b>                 |                  |               |                                |   |
| Other   | 102,715          | 116,871       | 45,155                         | 71,716  |
| Total Other Support Services                  | 102,715          | 116,871       | 45,155                         | 71,716  |
| <b>Community Services</b>                     |                  |               |                                |   |
| Personnel Services                            | 47,191           | 47,191        | 47,086                         | 105   |
| Employee Benefits                             | 23,851           | 23,851        | 20,444                         | 3,407   |
| Supplies                                      | 475              | 475           | 0                              | 475   |
| Total Community Services                      | 71,517           | 71,517        | 67,530                         | 3,987   |
| Total Expenditures                            | \$ 26,622,553    | \$ 26,622,553 | \$ 25,567,084                  | \$ 1,055,469                                      |

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, 2012

|  | <u>Budgeted Amounts</u>  |                          | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Variance<br/>with Final<br/>Budget-<br/>Over (Under)</u> |
|--|--------------------------|--------------------------|---|---|
|  | <u>Original</u>          | <u>Final</u>             |   |   |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | \$ <u>(1,708,176)</u>    | \$ <u>(1,708,176)</u>    | \$ <u>(446,757)</u>                     | \$ <u>1,261,419</u>   |
| Other Financing Sources (Uses)                               |                          |                          |   |   |
| Transfers  | <u>0</u>                 | <u>0</u>                 | <u>16,064</u>                           | <u>16,064</u>   |
| Total Other Sources (Uses)                                   | <u>0</u>                 | <u>0</u>                 | <u>16,064</u>                           | <u>16,064</u>   |
| Net Change in Fund Balance                                   | (1,708,176)              | (1,708,176)              | (430,693)                               | 1,277,483   |
| Cash Balance Beginning of Year                               | <u>1,895,157</u>         | <u>1,895,157</u>         | <u>1,895,157</u>                        | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u><u>186,981</u></u> | \$ <u><u>186,981</u></u> | \$ <u><u>1,464,464</u></u>              | \$ <u><u>1,277,483</u></u>                                  |
| Reconciliation of Budgetary Basis to GAAP Basis              |                          |                          |   |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                          |                          | \$ (446,757)                            |   |
| Net change in Taxes Receivable                               |                          |                          | 19,720                                  |   |
| Net change in Accounts Payable                               |                          |                          | (9,704)                                 |   |
| Net change in Deferred Revenue                               |                          |                          | 2,075                                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                          |                          | \$ <u><u>(434,666)</u></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, 2012

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| Miscellaneous  | \$ 67,651        | \$ 67,651       | \$ 85,586                      | \$ 17,935   |
| Total Revenues   | <u>67,651</u>    | <u>67,651</u>   | <u>85,586</u>                  | <u>17,935</u>                                     |
| <b>Expenditures</b>  |                  |                 |                                |   |
| <b>Operation &amp; Maintenance of Plant</b>                  |                  |                 |                                |   |
| Personnel Services   | 19,200           | 19,200          | 18,900                         | 300   |
| Employee Benefits  | 7,010            | 7,010           | 6,223                          | 787   |
| Purchased Property Services                                  | 88,016           | 86,716          | 60,521                         | 26,195  |
| Other Purchased Services                                     | 1,000            | 1,000           | 854                            | 146   |
| Supplies   | 500              | 1,300           | 1,262                          | 38  |
| Fixed Assets   | 7,000            | 7,000           | 6,699                          | 301   |
| Supply Assets  | 1,500            | 2,000           | 1,848                          | 152   |
| Total Operation & Maintenance of Plant                       | <u>124,226</u>   | <u>124,226</u>  | <u>96,307</u>                  | <u>27,919</u>                                     |
| Total Expenditures   | <u>124,226</u>   | <u>124,226</u>  | <u>96,307</u>                  | <u>27,919</u>                                     |
| Excess (Deficiency) of Revenues Over Expenditures            | (56,575)         | (56,575)        | (10,721)                       | 45,854  |
| Cash Balance Beginning of Year                               | <u>60,366</u>    | <u>60,366</u>   | <u>60,366</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>3,791</u>  | \$ <u>3,791</u> | \$ <u>49,645</u>               | \$ <u>45,854</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ (10,721)                    |   |
| Net change in Accounts Payable                               |                  |                 | 890                            |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | \$ <u>(9,831)</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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| State Grant  | \$ 1,340,325     | \$ 1,401,697     | \$ 1,401,697                   | \$ 0  |
| Total Revenues   | <u>1,340,325</u> | <u>1,401,697</u> | <u>1,401,697</u>               | <u>0</u>  |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Transportation</b>  |                  |                  |                                |   |
| Personnel Services   | 77,461           | 77,462           | 77,462                         | 0   |
| Employee Benefits  | 18,531           | 18,686           | 18,686                         | 0   |
| Professional & Tech Services                                 | 3,000            | 1,622            | 1,622                          | 0   |
| Purchased Property Services                                  | 134,531          | 142,181          | 142,181                        | 0   |
| Other Purchased Services                                     | 1,105,924        | 1,131,702        | 1,131,702                      | 0   |
| Supplies   | 878              | 30,044           | 30,044                         | 0   |
| Total Transportation   | <u>1,340,325</u> | <u>1,401,697</u> | <u>1,401,697</u>               | <u>0</u>  |
| Total Expenditures   | <u>1,340,325</u> | <u>1,401,697</u> | <u>1,401,697</u>               | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0                | 0                              | 0   |
| Cash Balance Beginning of Year                               | <u>0</u>         | <u>0</u>         | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>      | <u>\$ 0</u>                    | <u>\$ 0</u>                                       |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ 0                           |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | <u>\$ 0</u>                    |   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| Revenues   |                  |                  |                                |   |
| State Grant  | \$ 127,704       | \$ 181,550       | \$ 154,585                     | \$ (26,965)                                       |
| Total Revenues   | <u>127,704</u>   | <u>181,550</u>   | <u>154,585</u>                 | <u>(26,965)</u>                                   |
| Expenditures   |                  |                  |                                |   |
| Instruction  |                  |                  |                                |   |
| Supplies   | 127,704          | 181,550          | 155,012                        | 26,538  |
| Total Instruction  | <u>127,704</u>   | <u>181,550</u>   | <u>155,012</u>                 | <u>26,538</u>                                     |
| Total Expenditures   | <u>127,704</u>   | <u>181,550</u>   | <u>155,012</u>                 | <u>26,538</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0                | (427)                          | (427)   |
| Cash Balance Beginning of Year                               | <u>26,965</u>    | <u>26,965</u>    | <u>26,965</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 26,965</u> | <u>\$ 26,965</u> | <u>\$ 26,538</u>               | <u>\$ (427)</u>                                   |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ (427)                       |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | <u>\$ (427)</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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| Federal Grant  | \$ 886,543       | \$ 988,367       | \$ 679,771                     | \$ (308,596)                                      |
| Total Revenues   | <u>886,543</u>   | <u>988,367</u>   | <u>679,771</u>                 | <u>(308,596)</u>                                  |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Instruction</b>   |                  |                  |                                |   |
| Personnel Services   | 401,157          | 438,482          | 403,793                        | 34,689  |
| Employee Benefits  | 142,925          | 132,159          | 107,206                        | 24,953  |
| Purchase Services  | 5,000            | 35,300           | 35,266                         | 34  |
| Other Purchased Services                                     | 10,500           | 30,932           | 5,324                          | 25,608  |
| Supplies   | 2,000            | 14,434           | 13,934                         | 500   |
| Supply Assets  | 0                | 599              | 599                            | 0   |
| Total Instruction  | <u>561,582</u>   | <u>651,906</u>   | <u>566,122</u>                 | <u>85,784</u>                                     |
| <b>Support Services-General Administration</b>               |                  |                  |                                |   |
| Purchase Services  | 18,464           | 22,864           | 18,500                         | 4,364   |
| Total Support Services-General Administration                | <u>18,464</u>    | <u>22,864</u>    | <u>18,500</u>                  | <u>4,364</u>                                      |
| <b>Support Services-School Administration</b>                |                  |                  |                                |   |
| Personnel Services   | 141,805          | 141,805          | 139,075                        | 2,730   |
| Employee Benefits  | 42,163           | 43,804           | 38,871                         | 4,933   |
| Professional & Tech Services                                 | 2,000            | 7,000            | 4,470                          | 2,530   |
| Other Purchased Services                                     | 0                | 133              | 132                            | 1   |
| Supplies   | 0                | 326              | 326                            | 0   |
| Total Support Services-School Administration                 | <u>185,968</u>   | <u>193,068</u>   | <u>182,874</u>                 | <u>10,194</u>                                     |
| Total Expenditures   | <u>766,014</u>   | <u>867,838</u>   | <u>767,496</u>                 | <u>100,342</u>                                    |
| Excess (Deficiency) of Revenues Over Expenditures            | 120,529          | 120,529          | (87,725)                       | (208,254)   |
| Cash Balance Beginning of Year                               | <u>(120,529)</u> | <u>(120,529)</u> | <u>(120,529)</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>      | <u>\$ (208,254)</u>            | <u>\$ (208,254)</u>                               |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ (87,725)                    |   |
| Net change in Due from Grantor                               |                  |                  | 87,709                         |   |
| Net change in Accounts Payables                              |                  |                  | 16                             |   |
| 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, 2012

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|                           | <u>Agency<br/>Funds</u> |
|---------------------------|-------------------------|
| Assets                    |                         |
| Cash and Cash Equivalents | \$ 942,431              |
| Total Assets              | <u>\$ 942,431</u>       |
| Liabilities               |                         |
| Deposits Held for Others  | \$ 942,431              |
| Total Liabilities         | <u>\$ 942,431</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 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

**Financial Reporting Entity**

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

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

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

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

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

***Governmental Funds***

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

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

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

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

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

***Fiduciary Fund Type***

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

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

**Major Funds**

The District reports the following major governmental funds:

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

The General Fund consist of 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.

**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.

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
Notes to the Financial Statements  
June 30, 2012

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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.

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

#### Cash and Cash Equivalents

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

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

#### Investments

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

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

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

#### Receivables and Payables

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

#### Property Taxes

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

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

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

#### Inventories and Prepaid Items

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

#### Capital Assets

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

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



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

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

#### Capital Leases

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

#### Long-Term Liabilities

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

#### Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

#### Fund Balances of Fund Financial Statements

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

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

#### Interfund Transfers

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

#### Deferred Revenue

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

Compensated Absences

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

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

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

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

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

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

Estimates

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

**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.

| <b>First American Bank</b>        | Balance<br>Per Bank<br>6/30/12 | Reconciled<br>Balance | Type             |
|-----------------------------------|--------------------------------|-----------------------|------------------|
| Operational Money Market          | \$ 387,436                     | \$ 387,436            | Interest bearing |
| Artesia Public Schools-8          | 268,845                        | 260,912               | Non-interest     |
| Activity Fund                     | 780,711                        | 771,466               | Non-interest     |
| Activity Money Market             | 1,219                          | 1,219                 | Interest bearing |
| Artesia Public Schools-Activities | 33,796                         | 26,856                | Interest bearing |
| Cafeteria-5                       | 2,823,200                      | 2,783,733             | Non-interest     |
| Capital Improvement               | 6,975,501                      | 6,956,692             | Non-interest     |
| Special Building Fund HB 33       | 500,000                        | 500,000               | Non-interest     |
| Artesia Public Schools-HB33       | 250,000                        | 250,000               | Interest bearing |
| TOTAL Deposited                   | <u>12,020,708</u>              | <u>\$ 11,938,312</u>  |                  |
| Less: FDIC Coverage               | <u>(250,000)</u>               |                       |                  |
| Uninsured Amount                  | \$ 11,770,708                  |                       |                  |

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|                            |                     |
|----------------------------|---------------------|
| 50% collateral requirement | \$ 5,885,354        |
| Pledged securities         | 8,252,398           |
| Over (Under) requirement   | <u>\$ 2,367,044</u> |

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

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

| <u>Description</u>     | <u>CUSIP #</u> | <u>Market Value</u> | <u>Maturity Date</u> | <u>Location</u> |
|------------------------|----------------|---------------------|----------------------|-----------------|
| Gadsden NM ISD         | 362550KL8      | \$ 270,325          | 8/15/2013            | FHLB-Dallas, TX |
| Belen NM Gross Rcpts   | 077571CE5      | 111,187             | 6/1/2014             | FHLB-Dallas, TX |
| Gallup McKinley NM SD  | 364010NP9      | 317,274             | 8/1/2014             | FHLB-Dallas, TX |
| Gadsden NM ISD         | 362550KM6      | 210,602             | 8/15/2014            | FHLB-Dallas, TX |
| Gadsden NM ISD         | 362550KM6      | 210,602             | 8/15/2014            | FHLB-Dallas, TX |
| Grant Cnty NM          | 387766BV9      | 537,880             | 9/1/2016             | FHLB-Dallas, TX |
| Torrance Etc Cntys NM  | 891400MP5      | 484,776             | 1/15/2017            | FHLB-Dallas, TX |
| Torrance Etc Cntys NM  | 891400MP5      | 1,454,328           | 1/15/2017            | FHLB-Dallas, TX |
| Portales N EX Muni Sch | 736151DA6      | 420,108             | 2/1/2017             | FHLB-Dallas, TX |
| Albuquerque NM Met     | 013572JD5      | 593,210             | 8/1/2017             | FHLB-Dallas, TX |
| San Juan Cnty NM Cent  | 798359HQ1      | 986,994             | 8/1/2018             | FHLB-Dallas, TX |
| Dulce NM ISD #21 ETM   | 264430KB4      | 211,166             | 9/1/2018             | FHLB-Dallas, TX |
| Hobbs NM Sch Dist #16  | 433866CR9      | 1,128,050           | 7/15/2020            | FHLB-Dallas, TX |
| Belen NM Cons Sch Dist | 077581MQ6      | 192,596             | 8/1/2020             | FHLB-Dallas, TX |
| Albuquerque NM Muni S  | 013595LM3      | 1,123,300           | 8/1/2022             | FHLB-Dallas, TX |
|                        |                | <u>\$ 8,252,398</u> |                      |                 |

**Western Bank**

| <u>Name of Account</u>     | <u>Balance<br/>Per Bank<br/>6/30/12</u> | <u>Reconciled<br/>Balance</u> | <u>Type</u>      |
|----------------------------|---|-------------------------------|------------------|
| Operational                | \$ 1,341,552                            | \$ 351,417                    | Non-interest     |
| Operational Money Market   | 24,075                                  | 24,075                        | Interest bearing |
| Debt Service               | 1,308,358                               | 1,308,358                     | Non-interest     |
| TOTAL Deposited            | <u>2,673,986</u>                        | <u>\$ 1,683,851</u>           |                  |
| Less: FDIC Coverage        | (250,000)                               |                               |                  |
| Uninsured Amount           | 2,423,986                               |                               |                  |
| 50% collateral requirement | 1,211,993                               |                               |                  |
| Pledged securities         | 3,748,890                               |                               |                  |
| Over (Under) requirement   | <u>\$ 2,536,897</u>                     |                               |                  |

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

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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             | 077581KX3      | 200,000             | 8/1/2015             | FHLB-Dallas, TX |
| Artesia, NM           | 04310LAT7      | 355,000             | 6/1/2027             | FHLB-Dallas, TX |
| Los Lunas, NM         | 545562PH7      | 350,000             | 7/15/2021            | FHLB-Dallas, TX |
| UNM Gallup, NM        | 914684BX2      | 350,000             | 6/1/2014             | FHLB-Dallas, TX |
| Los Lunas, NM         | 545562PH7      | 195,000             | 7/15/2021            | FHLB-Dallas, TX |
| Hobbs, NM             | 433866DR8      | 200,000             | 4/15/2024            | FHLB-Dallas, TX |
| GNMA II Pool #002578  | 36202C2K8      | 29,120              | 4/20/2028            | FHLB-Dallas, TX |
| FNMA Pool #251812     | 31371GV069     | 2,742               | 7/1/2013             | FHLB-Dallas, TX |
| FHLMC                 | 3133XFKF2      | 1,301,685           | 6/11/2021            | FHLB-Dallas, TX |
| FNMA Pool #257203     | 31371NU45      | 123,930             | 5/1/2028             | FHLB-Dallas, TX |
| FNMA ARM Pool #933311 | 314125KY0      | 316,413             | 3/1/2038             | FHLB-Dallas, TX |
|                       |                | <u>\$ 3,748,890</u> |                      |                 |

**Artesia School Employees Credit Union**

| <u>Name of Account</u>     | <u>Balance<br/>Per Bank<br/>6/30/12</u> | <u>Reconciled<br/>Balance</u> | <u>Type</u>  |
|----------------------------|---|-------------------------------|--------------|
| ERB                        | \$ 3,362                                | \$ 3,362                      | Non-interest |
| TOTAL Deposited            | 3,362                                   | <u>3,362</u>                  |              |
| Less: FDIC Coverage        | <u>(3,362)</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<br/>Balance</u> |
|--|-------------------------|
| Insured  | \$ 503,362              |
| Collateralized:  |                         |
| Collateral held by the pledging bank in<br>District's name | 12,001,287              |
| Uninsured and uncollateralized                             | <u>2,193,406</u>        |
| Total Deposits   | <u>\$ 14,698,055</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, 2012 \$2,193,406 of the District's bank balance of \$14,698,054 was exposed to custodial credit risk.

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

The composition of interfund balances is as follows:

| Receivable<br>Fund | Payable Funds |                           |            |
|--------------------|---------------|---------------------------|------------|
|                    | Title I       | Non-Major<br>Governmental | Total      |
|                    |               | Funds                     |            |
| General Fund       | \$ 208,254    | \$ 315,971                | \$ 524,225 |
| Totals             | \$ 208,254    | \$ 315,971                | \$ 524,225 |

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, 2012:

|                                 | General   | House<br>Bill 33 | Senate<br>Bill Nine | Other<br>Governmental |
|---------------------------------|-----------|------------------|---------------------|-----------------------|
| Property Taxes Receivable:      |           |                  |                     |                       |
| Available                       | \$ 73,396 | \$ 654,117       | \$ 294,004          | \$ 81,393             |
| Unavailable                     | 4,539     | 44,604           | 19,817              | 6,677                 |
| TOTAL Property Taxes Receivable | \$ 77,935 | \$ 698,721       | \$ 313,821          | \$ 88,070             |

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

Amounts due from other agencies and units of government were as follows as of June 30, 2012:

|                  |            |
|------------------|------------|
| Federal Agencies | \$ 521,243 |
| State Agencies   | 3,299      |
| Total            | \$ 524,542 |

**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, 2012:

|                         | General  | Title I | House<br>Bill 33 |
|-------------------------|----------|---------|------------------|
| Property Taxes          | \$ 4,539 | \$ 0    | \$ 44,604        |
| Federal Revenues        | 0        | 0       | 0                |
| Total Deferred Revenues | \$ 4,539 | \$ 0    | \$ 44,604        |

|                         | Senate<br>Bill Nine | Other<br>Governmental | Total     |
|-------------------------|---------------------|-----------------------|-----------|
| Property Taxes          | \$ 19,817           | \$ 6,677              | \$ 75,637 |
| Federal Revenues        | 0                   | 0                     | 0         |
| Total Deferred Revenues | \$ 19,817           | \$ 6,677              | \$ 75,637 |

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**NOTE G: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2012, is as follows:

|  | Balance<br>6/30/11 | Increases    | Decreases | Balance<br>6/30/12 |
|--|--------------------|--------------|-----------|--------------------|
| <b>Governmental Activities</b>             |                    |              |           |                    |
| Capital Assets not being Depreciated       |                    |              |           |                    |
| Land                                       | \$ 2,031,305       | \$ 0         | \$ 0      | \$ 2,031,305       |
| Total Capital Assets not being Depreciated | 2,031,305          | 0            | 0         | 2,031,305          |
| Capital Assets, being Depreciated          |                    |              |           |                    |
| Buildings                                  | 76,630,634         | 9,256,019    | 0         | 85,886,653         |
| Equipment                                  | 6,568,231          | 578,504      | 0         | 7,146,735          |
| Total Capital Assets being Depreciated     | 83,198,865         | 9,834,523    | 0         | 93,033,388         |
| <b>Less Accumulated Depreciation</b>       |                    |              |           |                    |
| Buildings & Improvements                   | 36,338,293         | 3,408,740    | 0         | 39,747,033         |
| Equipment                                  | 5,655,008          | 399,522      | 0         | 6,054,530          |
| Total Accumulated Depreciation             | 41,993,301         | 3,808,262    | 0         | 45,801,563         |
| Capital Assets, net                        | \$ 43,236,869      | \$ 6,026,261 | \$ 0      | \$ 49,263,130      |

Depreciation expense was charged to governmental activities as follows:

|                             |              |
|-----------------------------|--------------|
| Instruction                 | \$ 3,808,262 |
| Total depreciation expenses | \$ 3,808,262 |

**NOTE H: LONG TERM DEBT**

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

|                                | Balance<br>6/30/11 | Additions  | Reductions   | Balance<br>6/30/12 | Amounts<br>Due Within<br>One Year |
|--------------------------------|--------------------|------------|--------------|--------------------|-----------------------------------|
| <b>Governmental Activities</b> |                    |            |              |                    |                                   |
| Bonds and Notes Payable        |                    |            |              |                    |                                   |
| General Obligation             |                    |            |              |                    |                                   |
| Bonds                          | \$ 1,960,000       | \$ 0       | \$ 870,000   | \$ 1,090,000       | \$ 900,000                        |
| Total Bonds                    | 1,960,000          | 0          | 870,000      | 1,090,000          | 900,000                           |
| Other Liabilities              |                    |            |              |                    |                                   |
| Compensated Absences           |                    |            |              |                    |                                   |
| Absences                       | 137,076            | 167,264    | 156,156      | 148,184            | 0                                 |
| Total Other Liabilities        | 137,076            | 167,264    | 156,156      | 148,184            | 0                                 |
| Long-Term                      | \$ 2,097,076       | \$ 167,264 | \$ 1,026,156 | \$ 1,238,184       | \$ 900,000                        |

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.

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
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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% | \$ 1,090,000 |
|        |               |                 |               | \$ 1,090,000 |

The annual requirements to amortize the 2003 Series general obligation bonds as of June 30, 2012, including interest payments are as follows:

|      | Principal    | Interest  | Total        |
|------|--------------|-----------|--------------|
| 2013 | \$ 900,000   | \$ 20,919 | \$ 920,919   |
| 2014 | 190,000      | 3,192     | 193,192      |
|      | \$ 1,090,000 | \$ 24,111 | \$ 1,114,111 |

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

|  |              |
|--|--------------|
| Note H   | \$ 1,090,000 |
| Net Issue Costs/Premium/Discounts on Bond Issues   | (15,210)     |
| Statement of Net Assets                            | \$ 1,074,790 |
| Long-Term Per Government Wide Financial Statements | \$ 174,790   |
| Current Portion                                    | 900,000      |
| Statement of Net Assets                            | \$ 1,074,790 |

**NOTE I: COMMITMENTS**

There are two major remodeling projects ongoing. The HB 33 and SB9 funds are financing the projects.

**NOTE J: PENSION PLAN**

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

Effective July 1, 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 REC 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 REC 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, 2012, 2011, and 2010, were \$3,982,291, \$3,989,613, and \$4,110,349 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](http://www.nmrhca.state.nm.us).



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**ARTESIA PUBLIC SCHOOLS**  
 Notes to the Financial Statements  
 June 30, 2012

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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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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<br/>Contribution</u> | <u>Employee<br/>Contribution</u> |
|--------------------|----------------------------------|----------------------------------|
| 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, 2012, 2011 and 2010 were \$539,671, \$491,211, and \$394,842 respectively, which equal the required contributions for each year.

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

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

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

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

Reconciliations are located at the bottom of each budget actual.

**NOTE M: INSURANCE COVERAGE**

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

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

**NOTE N: JOINT POWERS AGREEMENTS**

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

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

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

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

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

The Human Services Department will reimburse the District for administrative costs in an amount not to exceed \$50,000 for each fiscal year.

The total expenditures for the year ending June 30, 2012 were \$45,155.

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

**NOTE O: SURETY BOND**

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

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
CAPITAL PROJECT FUND-HOUSE BILL 33-31600  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2012

|  | Budgeted Amounts    |                   | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|---------------------|-------------------|--------------------------------|---|
|  | Original            | Final             |                                |   |
| <b>Revenues</b>  |                     |                   |                                |   |
| Property Taxes   | \$ 6,484,949        | \$ 6,484,949      | \$ 8,689,786                   | \$ 2,204,837                                      |
| Interest Income  | 16,000              | 16,000            | 9,941                          | (6,059)   |
| Miscellaneous  | 0                   | 0                 | 1,466                          | 1,466   |
| Total Revenues   | <u>6,500,949</u>    | <u>6,500,949</u>  | <u>8,701,193</u>               | <u>2,200,244</u>                                  |
| <b>Expenditures</b>  |                     |                   |                                |   |
| Support Services-General Administration                      |                     |                   |                                |   |
| Professional & Tech Services                                 | 16,500              | 20,212            | 18,311                         | 1,901   |
| Total Support Services-General Administration                | <u>16,500</u>       | <u>20,212</u>     | <u>18,311</u>                  | <u>1,901</u>                                      |
| Operation & Maintenance of Plant                             |                     |                   |                                |   |
| Personnel Services   | 78,395              | 78,395            | 60,735                         | 17,660  |
| Employee Benefits  | 20,070              | 20,070            | 16,014                         | 4,056   |
| Total Operation & Maintenance of Plant                       | <u>98,465</u>       | <u>98,465</u>     | <u>76,749</u>                  | <u>21,716</u>                                     |
| Capital Outlay   |                     |                   |                                |   |
| Building Improvements  | 4,995,022           | 8,869,582         | 6,235,181                      | 2,634,401   |
| Land Improvements  | 1,904,644           | 3,590,107         | 2,728,471                      | 861,636   |
| Building Purchases   | 5,500,000           | 679,537           | 31,390                         | 648,147   |
| Fixed Assets   | 45,000              | 298,100           | 244,192                        | 53,908  |
| Supply Assets  | 465,000             | 1,115,000         | 975,455                        | 139,545   |
| Total Capital Outlay   | <u>12,909,666</u>   | <u>14,552,326</u> | <u>10,214,689</u>              | <u>4,337,637</u>                                  |
| Total Expenditures   | <u>13,024,631</u>   | <u>14,671,003</u> | <u>10,309,749</u>              | <u>4,361,254</u>                                  |
| Excess (Deficiency) of Revenues Over Expenditures            | (6,523,682)         | (8,170,054)       | (1,608,556)                    | 6,561,498   |
| Cash Balance Beginning of Year                               | <u>9,065,248</u>    | <u>9,065,248</u>  | <u>9,065,248</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 2,541,566</u> | <u>\$ 895,194</u> | <u>\$ 7,456,692</u>            | <u>\$ 6,561,498</u>                               |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                     |                   |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                     |                   | \$ (1,608,556)                 |   |
| Net change in Taxes Receivable                               |                     |                   | 230,594                        |   |
| Net change in Accounts Payable                               |                     |                   | (21,578)                       |   |
| Net change in Deferred Revenue                               |                     |                   | (15,313)                       |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                     |                   | <u>\$ (1,414,853)</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, 2012

|  | Budgeted Amounts    |                       | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|---------------------|-----------------------|--------------------------------|---|
|  | Original            | Final                 |                                |   |
| <b>Revenues</b>  |                     |                       |                                |   |
| Property Taxes   | \$ 2,666,914        | \$ 2,666,914          | \$ 3,943,187                   | \$ 1,276,273                                      |
| Interest Income  | 3,100               | 3,100                 | 2,578                          | (522)   |
| Miscellaneous  | 0                   | 0                     | 102,945                        | 102,945   |
| Total Revenues   | <u>2,670,014</u>    | <u>2,670,014</u>      | <u>4,048,710</u>               | <u>1,378,696</u>                                  |
| <b>Expenditures</b>  |                     |                       |                                |   |
| Support Services-General Administration                      |                     |                       |                                |   |
| Professional & Tech Services                                 | 9,500               | 9,500                 | 8,083                          | 1,417   |
| Total Support Services-General Administration                | <u>9,500</u>        | <u>9,500</u>          | <u>8,083</u>                   | <u>1,417</u>                                      |
| <b>Capital Outlay</b>  |                     |                       |                                |   |
| Maintenance & Repairs  | 2,200,000           | 1,253,156             | 1,252,402                      | 754   |
| Building Improvements  | 0                   | 1,982,214             | 217,101                        | 1,765,113   |
| Supplies   | 1,632,245           | 1,233,974             | 538,156                        | 695,818   |
| Land Improvements  | 161,000             | 261,000               | 228,478                        | 32,522  |
| Building Purchases   | 0                   | 0                     |                                | 0   |
| Vehicles   | 78,817              | 85,949                | 85,949                         | 0   |
| Fixed Assets   | 110,000             | 425,136               | 129,172                        | 295,964   |
| Supply Assets  | 693,336             | 812,788               | 812,787                        | 1   |
| Total Capital Outlay   | <u>4,875,398</u>    | <u>6,054,217</u>      | <u>3,264,045</u>               | <u>2,790,172</u>                                  |
| Total Expenditures   | <u>4,884,898</u>    | <u>6,063,717</u>      | <u>3,272,128</u>               | <u>2,791,589</u>                                  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (2,214,884)         | (3,393,703)           | 776,582                        | 4,170,285   |
| Cash Balance Beginning of Year                               | <u>1,959,326</u>    | <u>1,959,326</u>      | <u>1,959,326</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ (255,558)</u> | <u>\$ (1,434,377)</u> | <u>\$ 2,735,908</u>            | <u>\$ 4,170,285</u>                               |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                     |                       |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                     |                       | \$ 776,582                     |   |
| Net change in Taxes Receivable                               |                     |                       | 45,675                         |   |
| Net change in Accounts Payable                               |                     |                       | (26,769)                       |   |
| Net change in Deferred Revenue                               |                     |                       | 41,520                         |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                     |                       | <u>\$ 837,008</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).

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

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

**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.

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

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

**IDEA 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.

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

**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).

**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.

**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.

**GO Students Library (27106).** To account for a bond issue to fund a state grant to provide library books for school districts. The fund was created by state grant provisions.

**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).

**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.

**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, 2012

|  | Special Revenue Funds |                    |                                |
|--|-----------------------|--------------------|--------------------------------|
|  | Food Service<br>21000 | Athletics<br>22000 | IDEA B<br>Entitlement<br>24106 |
| <b>ASSETS</b>  |                       |                    |                                |
| Cash and Cash Equivalents                            | \$ 26,855             | \$ 80,253          | \$ 0                           |
| Receivables  |                       |                    |                                |
| Property Taxes                                       | 0                     | 0                  | 0                              |
| Due From Grantor                                     | 0                     | 0                  | 231,177                        |
| Inventory  | 5,877                 | 0                  | 0                              |
| Total Assets   | <u>32,732</u>         | <u>80,253</u>      | <u>231,177</u>                 |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                       |                    |                                |
| Liabilities  |                       |                    |                                |
| Interfund Balances                                   | 0                     | 0                  | 231,001                        |
| Accounts Payable                                     | 0                     | 215                | 176                            |
| Deferred Revenue                                     | 0                     | 0                  | 0                              |
| Total Liabilities                                    | <u>0</u>              | <u>215</u>         | <u>231,177</u>                 |
| Fund Balance   |                       |                    |                                |
| Nonspendable-Inventory                               | 5,877                 | 0                  | 0                              |
| Restricted for, reported in<br>Special Revenue Funds | 26,855                | 80,038             | 0                              |
| Debt Service   | 0                     | 0                  | 0                              |
| Total Fund Balance                                   | <u>32,732</u>         | <u>80,038</u>      | <u>0</u>                       |
| Total Liabilities and Fund Balance                   | <u>\$ 32,732</u>      | <u>\$ 80,253</u>   | <u>\$ 231,177</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, 2012

|  | Special Revenue Funds      |                    |                              |
|--|----------------------------|--------------------|------------------------------|
|  | IDEA<br>Preschool<br>24109 | Title III<br>24153 | Teacher<br>Training<br>24154 |
| <b>ASSETS</b>  |                            |                    |                              |
| Cash and Cash Equivalents                            | \$ 0                       | \$ 0               | \$ 0                         |
| Receivables  |                            |                    |                              |
| Property Taxes                                       | 0                          | 0                  | 0                            |
| Due From Grantor                                     | 15,227                     | 4,464              | 61,980                       |
| Inventory  | 0                          | 0                  | 0                            |
| Total Assets   | <u>15,227</u>              | <u>4,464</u>       | <u>61,980</u>                |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                            |                    |                              |
| Liabilities  |                            |                    |                              |
| Interfund Balances                                   | 15,227                     | 4,464              | 61,980                       |
| Accounts Payable                                     | 0                          | 0                  | 0                            |
| Deferred Revenue                                     | 0                          | 0                  | 0                            |
| Total Liabilities                                    | <u>15,227</u>              | <u>4,464</u>       | <u>61,980</u>                |
| Fund Balance   |                            |                    |                              |
| Nonspendable-Inventory                               | 0                          | 0                  | 0                            |
| Restricted for, reported in<br>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>\$ 15,227</u>           | <u>\$ 4,464</u>    | <u>\$ 61,980</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, 2012

|  | Special Revenue Funds            |   |                               |
|--|----------------------------------|---|-------------------------------|
|  | Title I<br>Recovery Act<br>24201 | Preschool Idea<br>Recovery Act<br>24209 | Homeless<br>Stimulus<br>24213 |
| <b>ASSETS</b>  |                                  |   |                               |
| Cash and Cash Equivalents                            | \$ 0                             | \$ 0                                    | \$ 0                          |
| Receivables  |                                  |   |                               |
| Property Taxes                                       | 0                                | 0                                       | 0                             |
| Due From Grantor                                     | 0                                | 0                                       | 0                             |
| Inventory  | 0                                | 0                                       | 0                             |
| Total Assets   | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                                  |   |                               |
| Liabilities  |                                  |   |                               |
| Interfund Balances                                   | 0                                | 0                                       | 0                             |
| Accounts Payable                                     | 0                                | 0                                       | 0                             |
| Deferred Revenue                                     | 0                                | 0                                       | 0                             |
| Total Liabilities                                    | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| Fund Balance   |                                  |   |                               |
| Nonspendable-Inventory                               | 0                                | 0                                       | 0                             |
| Restricted for, reported in<br>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>\$ 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, 2012

|  | Special Revenue Funds          |                                   |   |
|--|--------------------------------|-----------------------------------|---|
|  | Title XIX<br>Medicaid<br>25153 | Education<br>Job<br>Fund<br>25255 | Duel Credits<br>Instructional<br>Materials<br>27103 |
| <b>ASSETS</b>  |                                |                                   |   |
| Cash and Cash Equivalents                            | \$ 58,606                      | \$ 0                              | \$ 0  |
| Receivables  |                                |                                   |   |
| Property Taxes                                       | 0                              | 0                                 | 0   |
| Due From Grantor                                     | 0                              | 0                                 | 1,478   |
| Inventory  | 0                              | 0                                 | 0   |
| Total Assets   | <u>58,606</u>                  | <u>0</u>                          | <u>1,478</u>  |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                                |                                   |   |
| Liabilities  |                                |                                   |   |
| Interfund Balances                                   | 0                              | 0                                 | 1,478   |
| Accounts Payable                                     | 847                            | 0                                 | 0   |
| Deferred Revenue                                     | 0                              | 0                                 | 0   |
| Total Liabilities                                    | <u>847</u>                     | <u>0</u>                          | <u>1,478</u>  |
| Fund Balance   |                                |                                   |   |
| Nonspendable-Inventory                               | 0                              | 0                                 | 0   |
| Restricted for, reported in<br>Special Revenue Funds | 57,759                         | 0                                 | 0   |
| Debt Service   | 0                              | 0                                 | 0   |
| Total Fund Balance                                   | <u>57,759</u>                  | <u>0</u>                          | <u>0</u>  |
| Total Liabilities and Fund Balance                   | <u>\$ 58,606</u>               | <u>\$ 0</u>                       | <u>\$ 1,478</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, 2012

|  | Special Revenue Funds        |                                |                                |
|--|------------------------------|--------------------------------|--------------------------------|
|  | Library<br>GO Bonds<br>27105 | GO Student<br>Library<br>27106 | Tech for<br>Education<br>27117 |
| <b>ASSETS</b>  |                              |                                |                                |
| Cash and Cash Equivalents                            | \$ 0                         | \$ 0                           | \$ 0                           |
| Receivables  |                              |                                |                                |
| Property Taxes                                       | 0                            | 0                              | 0                              |
| Due From Grantor                                     | 0                            | 1,821                          | 0                              |
| Inventory  | 0                            | 0                              | 0                              |
| Total Assets   | <u>0</u>                     | <u>1,821</u>                   | <u>0</u>                       |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                              |                                |                                |
| Liabilities  |                              |                                |                                |
| Interfund Balances                                   | 0                            | 1,821                          | 0                              |
| Accounts Payable                                     | 0                            | 0                              | 0                              |
| Deferred Revenue                                     | 0                            | 0                              | 0                              |
| Total Liabilities                                    | <u>0</u>                     | <u>1,821</u>                   | <u>0</u>                       |
| Fund Balance   |                              |                                |                                |
| Nonspendable-Inventory                               | 0                            | 0                              | 0                              |
| Restricted for, reported in<br>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>\$ 1,821</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, 2012

|  | <u>Special Revenue Funds</u> |  |                                   |
|--|------------------------------|--|-----------------------------------|
|  | <u>Mentoring<br/>27154</u>   | <u>Library Book<br/>Fund<br/>27549</u> | <u>Debt<br/>Service<br/>41000</u> |
| <b>ASSETS</b>  |                              |  |                                   |
| Cash and Cash Equivalents                            | \$ 0                         | \$ 0                                   | \$ 1,308,358                      |
| Receivables  |                              |  |                                   |
| Property Taxes                                       | 0                            | 0                                      | 88,070                            |
| Due From Grantor                                     | 0                            | 0                                      | 0                                 |
| Inventory  | 0                            | 0                                      | 0                                 |
| Total Assets   | <u>0</u>                     | <u>0</u>                               | <u>1,396,428</u>                  |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                              |  |                                   |
| Liabilities  |                              |  |                                   |
| Interfund Balances                                   | 0                            | 0                                      | 0                                 |
| Accounts Payable                                     | 0                            | 0                                      | 0                                 |
| Deferred Revenue                                     | 0                            | 0                                      | 6,677                             |
| Total Liabilities                                    | <u>0</u>                     | <u>0</u>                               | <u>6,677</u>                      |
| Fund Balance   |                              |  |                                   |
| Nonspendable-Inventory                               | 0                            | 0                                      | 0                                 |
| Restricted for, reported in<br>Special Revenue Funds | 0                            | 0                                      | 0                                 |
| Debt Service   | 0                            | 0                                      | 1,389,751                         |
| Total Fund Balance                                   | <u>0</u>                     | <u>0</u>                               | <u>1,389,751</u>                  |
| Total Liabilities and Fund Balance                   | <u>\$ 0</u>                  | <u>\$ 0</u>                            | <u>\$ 1,396,428</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, 2012

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|  | <u>Total</u>               |
|--|----------------------------|
| <b>ASSETS</b>  |                            |
| Cash and Cash Equivalents                            | \$ 1,474,072               |
| Receivables  |                            |
| Property Taxes                                       | 88,070                     |
| Due From Grantor                                     | 316,147                    |
| Inventory  | <u>5,877</u>               |
| Total Assets   | <u><u>1,884,166</u></u>    |
| <b>LIABILITIES AND FUND BALANCE</b>                  |                            |
| Liabilities  |                            |
| Interfund Balances                                   | 315,971                    |
| Accounts Payable                                     | 1,238                      |
| Deferred Revenue                                     | <u>6,677</u>               |
| Total Liabilities                                    | <u>323,886</u>             |
| Fund Balance   |                            |
| Nonspendable-Inventory                               | 5,877                      |
| Restricted for, reported in<br>Special Revenue Funds | 164,652                    |
| Debt Service   | <u>1,389,751</u>           |
| Total Fund Balance                                   | <u>1,560,280</u>           |
| Total Liabilities and Fund Balance                   | <u><u>\$ 1,884,166</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, 2012

|  | Special Revenue Funds |                    |                                |
|--|-----------------------|--------------------|--------------------------------|
|  | Food Service<br>21000 | Athletics<br>22000 | IDEA B<br>Entitlement<br>24106 |
| <b>Revenues</b>                                      |                       |                    |                                |
| Property Taxes                                       | \$ 0                  | \$ 0               | \$ 0                           |
| Interest Income                                      | 109                   | 113                | 0                              |
| Fees   | 424,042               | 178,989            | 0                              |
| State & Local Grants                                 | 0                     | 0                  | 0                              |
| Federal Grants                                       | 1,035,313             | 0                  | 764,286                        |
| Miscellaneous  | 146                   | 0                  | 0                              |
| Total Revenues                                       | <u>1,459,610</u>      | <u>179,102</u>     | <u>764,286</u>                 |
| <b>Expenditures</b>                                  |                       |                    |                                |
| Current  |                       |                    |                                |
| Instruction  | 0                     | 175,441            | 470,126                        |
| Support Service-Students                             | 0                     | 0                  | 145,216                        |
| Support Service-Instruction                          | 0                     | 0                  | 1,294                          |
| Support Service-General Administration               | 0                     | 0                  | 18,540                         |
| Support Service-School Administration                | 0                     | 0                  | 129,110                        |
| Food Services  | 1,469,452             | 0                  | 0                              |
| Debt Service   |                       |                    |                                |
| Principal  | 0                     | 0                  | 0                              |
| Interest   | 0                     | 0                  | 0                              |
| Total Expenditures                                   | <u>1,469,452</u>      | <u>175,441</u>     | <u>764,286</u>                 |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>(9,842)</u>        | <u>3,661</u>       | <u>0</u>                       |
| Other Financing Sources (Uses)                       |                       |                    |                                |
| Transfers  | <u>0</u>              | <u>0</u>           | <u>0</u>                       |
| Total Other Sources (Uses)                           | <u>0</u>              | <u>0</u>           | <u>0</u>                       |
| Net Change in Fund Balance                           | (9,842)               | 3,661              | 0                              |
| Fund Balances at Beginning of Year                   | <u>42,574</u>         | <u>76,377</u>      | <u>0</u>                       |
| Fund Balance End of Year                             | <u>\$ 32,732</u>      | <u>\$ 80,038</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, 2012

|  | Special Revenue Funds      |                    |                              |
|--|----------------------------|--------------------|------------------------------|
|  | IDEA<br>Preschool<br>24109 | Title III<br>24153 | Teacher<br>Training<br>24154 |
| <b>Revenues</b>                                      |                            |                    |                              |
| Property Taxes                                       | \$ 0                       | \$ 0               | \$ 0                         |
| Interest Income                                      | 0                          | 0                  | 0                            |
| Fees   | 0                          | 0                  | 0                            |
| State & Local Grants                                 | 0                          | 0                  | 0                            |
| Federal Grants                                       | 36,933                     | 7,787              | 193,046                      |
| Miscellaneous  | 0                          | 0                  | 0                            |
| Total Revenues                                       | <u>36,933</u>              | <u>7,787</u>       | <u>193,046</u>               |
| <b>Expenditures</b>                                  |                            |                    |                              |
| Current  |                            |                    |                              |
| Instruction  | 8,488                      | 7,214              | 180,203                      |
| Support Service-Students                             | 0                          | 0                  | 70                           |
| Support Service-Instruction                          | 0                          | 0                  | 0                            |
| Support Service-General Administration               | 890                        | 301                | 4,653                        |
| Support Service-School Administration                | 27,555                     | 272                | 8,120                        |
| Food Services  | 0                          | 0                  | 0                            |
| Debt Service   |                            |                    |                              |
| Principal  | 0                          | 0                  | 0                            |
| Interest   | 0                          | 0                  | 0                            |
| Total Expenditures                                   | <u>36,933</u>              | <u>7,787</u>       | <u>193,046</u>               |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>                   | <u>0</u>           | <u>0</u>                     |
| <b>Other Financing Sources (Uses)</b>                |                            |                    |                              |
| Transfers  | <u>0</u>                   | <u>0</u>           | <u>0</u>                     |
| Total Other Sources (Uses)                           | <u>0</u>                   | <u>0</u>           | <u>0</u>                     |
| Net Change in Fund Balance                           | 0                          | 0                  | 0                            |
| Fund Balances at Beginning of Year                   | <u>0</u>                   | <u>0</u>           | <u>0</u>                     |
| Fund Balance End of Year                             | <u><u>\$ 0</u></u>         | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u>           |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2012

|  | Special Revenue Funds            |   |                               |
|--|----------------------------------|---|-------------------------------|
|  | Title I<br>Recovery Act<br>24201 | Preschool Idea<br>Recovery Act<br>24209 | Homeless<br>Stimulus<br>24213 |
|  |                                  |   |                               |
| <b>Revenues</b>                                      |                                  |   |                               |
| Property Taxes                                       | \$ 0                             | \$ 0                                    | \$ 0                          |
| Interest Income                                      | 0                                | 0                                       | 0                             |
| Fees   | 0                                | 0                                       | 0                             |
| State & Local Grants                                 | 0                                | 0                                       | 0                             |
| Federal Grants                                       | 0                                | 0                                       | 0                             |
| Miscellaneous  | 0                                | 0                                       | 0                             |
| Total Revenues                                       | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| <b>Expenditures</b>                                  |                                  |   |                               |
| 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                                | 0                                       | 0                             |
| Debt Service   |                                  |   |                               |
| Principal  | 0                                | 0                                       | 0                             |
| Interest   | 0                                | 0                                       | 0                             |
| Total Expenditures                                   | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| Other Financing Sources (Uses)                       |                                  |   |                               |
| Transfers  | 0                                | 0                                       | 0                             |
| Total Other Sources (Uses)                           | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| Net Change in Fund Balance                           | 0                                | 0                                       | 0                             |
| Fund Balances at Beginning of Year                   | <u>0</u>                         | <u>0</u>                                | <u>0</u>                      |
| Fund Balance End of Year                             | <u>\$ 0</u>                      | <u>\$ 0</u>                             | <u>\$ 0</u>                   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2012

|  | Special Revenue Funds          |                                   |   |
|--|--------------------------------|-----------------------------------|---|
|  | Title XIX<br>Medicaid<br>25153 | Education<br>Job<br>Fund<br>25255 | Duel Credits<br>Instructional<br>Materials<br>27103 |
|  |                                |                                   |   |
| <b>Revenues</b>                                      |                                |                                   |   |
| Property Taxes                                       | \$ 0                           | \$ 0                              | \$ 0  |
| Interest Income                                      | 0                              | 0                                 | 0   |
| Fees   | 137,606                        | 0                                 | 0   |
| State & Local Grants                                 | 0                              | 0                                 | 5,077   |
| Federal Grants                                       | 0                              | 10,204                            | 0   |
| Miscellaneous  | 0                              | 0                                 | 0   |
| Total Revenues                                       | <u>137,606</u>                 | <u>10,204</u>                     | <u>5,077</u>  |
| <b>Expenditures</b>                                  |                                |                                   |   |
| Current  |                                |                                   |   |
| Instruction  | 0                              | 10,204                            | 5,077   |
| Support Service-Students                             | 141,587                        | 0                                 | 0   |
| Support Service-Instruction                          | 0                              | 0                                 | 0   |
| Support Service-General Administration               | 3,967                          | 0                                 | 0   |
| Support Service-School Administration                | 18,097                         | 0                                 | 0   |
| Food Services  | 0                              | 0                                 | 0   |
| Debt Service   |                                |                                   |   |
| Principal  | 0                              | 0                                 | 0   |
| Interest   | 0                              | 0                                 | 0   |
| Total Expenditures                                   | <u>163,651</u>                 | <u>10,204</u>                     | <u>5,077</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>(26,045)</u>                | <u>0</u>                          | <u>0</u>  |
| Other Financing Sources (Uses)                       |                                |                                   |   |
| Transfers  | <u>0</u>                       | <u>0</u>                          | <u>0</u>  |
| Total Other Sources (Uses)                           | <u>0</u>                       | <u>0</u>                          | <u>0</u>  |
| Net Change in Fund Balance                           | (26,045)                       | 0                                 | 0   |
| Fund Balances at Beginning of Year                   | <u>83,804</u>                  | <u>0</u>                          | <u>0</u>  |
| Fund Balance End of Year                             | <u>\$ 57,759</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, 2012

|  | Special Revenue Funds        |                                |                                |
|--|------------------------------|--------------------------------|--------------------------------|
|  | Library<br>GO Bonds<br>27105 | GO Student<br>Library<br>27106 | Tech for<br>Education<br>27117 |
|  |                              |                                |                                |
| <b>Revenues</b>                                      |                              |                                |                                |
| Property Taxes                                       | \$ 0                         | \$ 0                           | \$ 0                           |
| Interest Income                                      | 0                            | 0                              | 0                              |
| Fees   | 0                            | 0                              | 0                              |
| State & Local Grants                                 | 452                          | 14,629                         | 0                              |
| Federal Grants                                       | 0                            | 0                              | 0                              |
| Miscellaneous  | 0                            | 0                              | 0                              |
| Total Revenues                                       | <u>452</u>                   | <u>14,629</u>                  | <u>0</u>                       |
| <b>Expenditures</b>                                  |                              |                                |                                |
| Current  |                              |                                |                                |
| Instruction  | 0                            | 0                              | 0                              |
| Support Service-Students                             | 0                            | 0                              | 0                              |
| Support Service-Instruction                          | 452                          | 14,629                         | 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>452</u>                   | <u>14,629</u>                  | <u>0</u>                       |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>                     | <u>0</u>                       | <u>0</u>                       |
| Other Financing Sources (Uses)                       |                              |                                |                                |
| Transfers  | 0                            | 0                              | (14,631)                       |
| Total Other Sources (Uses)                           | <u>0</u>                     | <u>0</u>                       | <u>(14,631)</u>                |
| Net Change in Fund Balance                           | 0                            | 0                              | (14,631)                       |
| Fund Balances at Beginning of Year                   | <u>0</u>                     | <u>0</u>                       | <u>14,631</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, 2012

|  | <u>Special Revenue Funds</u> |  |                                   |
|--|------------------------------|--|-----------------------------------|
|  | <u>Mentoring<br/>27154</u>   | <u>Library Book<br/>Fund<br/>27549</u> | <u>Debt<br/>Service<br/>41000</u> |
| <b>Revenues</b>                                      |                              |  |                                   |
| Property Taxes                                       | \$ 0                         | \$ 0                                   | \$ 1,212,504                      |
| Interest Income                                      | 0                            | 0                                      | 1,150                             |
| 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>1,213,654</u>                  |
| <b>Expenditures</b>                                  |                              |  |                                   |
| <b>Current</b>                                       |                              |  |                                   |
| Instruction  | 0                            | 0                                      | 0                                 |
| Support Service-Students                             | 0                            | 0                                      | 0                                 |
| Support Service-Instruction                          | 0                            | 0                                      | 0                                 |
| Support Service-General Administration               | 0                            | 0                                      | 2,245                             |
| Support Service-School Administration                | 0                            | 0                                      | 0                                 |
| Food Services  | 0                            | 0                                      | 0                                 |
| <b>Debt Service</b>                                  |                              |  |                                   |
| Principal  | 0                            | 0                                      | 870,000                           |
| Interest   | 0                            | 0                                      | 48,896                            |
| Total Expenditures                                   | <u>0</u>                     | <u>0</u>                               | <u>921,141</u>                    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>                     | <u>0</u>                               | <u>292,513</u>                    |
| <b>Other Financing Sources (Uses)</b>                |                              |  |                                   |
| Transfers  | (1,165)                      | (269)                                  | 0                                 |
| Total Other Sources (Uses)                           | <u>(1,165)</u>               | <u>(269)</u>                           | <u>0</u>                          |
| Net Change in Fund Balance                           | (1,165)                      | (269)                                  | 292,513                           |
| Fund Balances at Beginning of Year                   | <u>1,165</u>                 | <u>269</u>                             | <u>1,097,238</u>                  |
| Fund Balance End of Year                             | <u>\$ 0</u>                  | <u>\$ 0</u>                            | <u>\$ 1,389,751</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, 2012

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|  | <u>Total</u>        |
|--|---------------------|
| Revenues   |                     |
| Property Taxes                                       | \$ 1,212,504        |
| Interest Income                                      | 1,372               |
| Fees   | 740,637             |
| State & Local Grants                                 | 20,158              |
| Federal Grants                                       | 2,047,569           |
| Miscellaneous  | 146                 |
| Total Revenues                                       | <u>4,022,386</u>    |
| Expenditures   |                     |
| Current  |                     |
| Instruction  | 856,753             |
| Support Service-Students                             | 286,873             |
| Support Service-Instruction                          | 16,375              |
| Support Service-General Administration               | 30,596              |
| Support Service-School Administration                | 183,154             |
| Food Services  | 1,469,452           |
| Debt Service   |                     |
| Principal  | 870,000             |
| Interest   | 48,896              |
| Total Expenditures                                   | <u>3,762,099</u>    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>260,287</u>      |
| Other Financing Sources (Uses)                       |                     |
| Transfers  | <u>(16,065)</u>     |
| Total Other Sources (Uses)                           | <u>(16,065)</u>     |
| Net Change in Fund Balance                           | 244,222             |
| Fund Balances at Beginning of Year                   | <u>1,316,058</u>    |
| Fund Balance End of Year                             | <u>\$ 1,560,280</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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| Interest Income  | \$ 200           | \$ 201           | \$ 109                         | \$ (92)   |
| Fees   | 414,487          | 414,487          | 424,042                        | 9,555   |
| Federal Grant  | 947,417          | 947,417          | 950,956                        | 3,539   |
| Miscellaneous  | 0                | 0                | 146                            | 146   |
| Total Revenues   | <u>1,362,104</u> | <u>1,362,105</u> | <u>1,375,253</u>               | <u>13,148</u>                                     |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Food Services</b>   |                  |                  |                                |   |
| Personnel Services   | 422,379          | 432,942          | 432,929                        | 13  |
| Employee Benefits  | 191,946          | 193,576          | 193,251                        | 325   |
| Professional & Tech Services                                 | 6,730            | 4,214            | 4,047                          | 167   |
| Other Purchased Services                                     | 6,730            | 8,778            | 8,162                          | 616   |
| Supplies   | 768,779          | 749,778          | 744,497                        | 5,281   |
| Supply Assets  | 0                | 7,246            | 0                              | 7,246   |
| Total Food Services  | <u>1,396,564</u> | <u>1,396,534</u> | <u>1,382,886</u>               | <u>13,648</u>                                     |
| Total Expenditures   | <u>1,396,564</u> | <u>1,396,534</u> | <u>1,382,886</u>               | <u>13,648</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (34,460)         | (34,429)         | (7,633)                        | 26,796  |
| Cash Balance Beginning of Year                               | <u>34,488</u>    | <u>34,488</u>    | <u>34,488</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 28</u>     | <u>\$ 59</u>     | <u>\$ 26,855</u>               | <u>\$ 26,796</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ (7,633)                     |   |
| Net Change in Due from Grantor                               |                  |                  | <u>(2,209)</u>                 |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | <u>\$ (9,842)</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, 2012

|  | Budgeted Amounts   |                    | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|--------------------|--------------------|--------------------------------|---|
|  | Original           | Final              |                                |   |
| <b>Revenues</b>  |                    |                    |                                |   |
| Interest Income  | \$ 300             | \$ 300             | \$ 113                         | \$ (187)  |
| Fees   | 175,500            | 175,500            | 178,989                        | 3,489   |
| Total Revenues   | <u>175,800</u>     | <u>175,800</u>     | <u>179,102</u>                 | <u>3,302</u>                                      |
| <b>Expenditures</b>  |                    |                    |                                |   |
| <b>Instruction</b>   |                    |                    |                                |   |
| Personnel Services   | 40,000             | 44,672             | 42,951                         | 1,721   |
| Employee Benefits  | 7,911              | 11,139             | 10,012                         | 1,127   |
| Professional & Tech Services                                 | 42,000             | 34,100             | 9,727                          | 24,373  |
| Other Purchased Services                                     | 113,757            | 113,757            | 82,793                         | 30,964  |
| Supplies   | 63,000             | 63,000             | 29,838                         | 33,162  |
| Total Instruction  | <u>266,668</u>     | <u>266,668</u>     | <u>175,321</u>                 | <u>91,347</u>                                     |
| Total Expenditures   | <u>266,668</u>     | <u>266,668</u>     | <u>175,321</u>                 | <u>91,347</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (90,868)           | (90,868)           | 3,781                          | 94,649  |
| Cash Balance Beginning of Year                               | <u>76,472</u>      | <u>76,472</u>      | <u>76,472</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ (14,396)</u> | <u>\$ (14,396)</u> | <u>\$ 80,253</u>               | <u>\$ 94,649</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                    |                    |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                    |                    | \$ 3,781                       |   |
| Net Change in Accounts Payable                               |                    |                    | <u>(120)</u>                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                    |                    | <u>\$ 3,661</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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>                                |                  |                  |                                |   |
| Federal Grant                                  | \$ 945,554       | \$ 1,292,944     | \$ 710,835                     | \$ (582,109)                                      |
| Total Revenues                                 | <u>945,554</u>   | <u>1,292,944</u> | <u>710,835</u>                 | <u>(582,109)</u>                                  |
| <b>Expenditures</b>                            |                  |                  |                                |   |
| <b>Instruction</b>                             |                  |                  |                                |   |
| Personnel Services                             | 310,699          | 381,139          | 292,147                        | 88,992  |
| Employee Benefits                              | 139,512          | 157,469          | 127,236                        | 30,233  |
| Professional & Tech Services                   | 1,000            | 35,900           | 22,651                         | 13,249  |
| Other Purchased Services                       | 1,447            | 13,607           | 13,606                         | 1   |
| Supplies                                       | 3,084            | 103,384          | 12,646                         | 90,738  |
| Supply Assets                                  | 1,000            | 19,000           | 1,770                          | 17,230  |
| Total Instruction                              | <u>456,742</u>   | <u>710,499</u>   | <u>470,056</u>                 | <u>240,443</u>                                    |
| <b>Support Services-Students</b>               |                  |                  |                                |   |
| Personnel Services                             | 82,698           | 104,807          | 82,287                         | 22,520  |
| Employee Benefits                              | 28,332           | 28,532           | 22,340                         | 6,192   |
| Professional & Tech Services                   | 25,474           | 28,474           | 12,833                         | 15,641  |
| Other Purchased Services                       | 9,790            | 21,103           | 15,200                         | 5,903   |
| Supplies                                       | 3,300            | 16,791           | 11,511                         | 5,280   |
| Supply Assets                                  | 0                | 25,034           | 1,046                          | 23,988  |
| Total Support Services-Students                | <u>149,594</u>   | <u>224,741</u>   | <u>145,217</u>                 | <u>79,524</u>                                     |
| <b>Support Services-Instruction</b>            |                  |                  |                                |   |
| Professional & Tech Services                   | 500              | 1,231            | 1,321                          | (90)  |
| Supplies                                       | 3,200            | 2,982            | 0                              | 2,982   |
| Total Support Services-Instruction             | <u>3,700</u>     | <u>4,213</u>     | <u>1,321</u>                   | <u>2,892</u>                                      |
| <b>Support Services-General Administration</b> |                  |                  |                                |   |
| Professional & Tech Services                   | 18,966           | 27,549           | 18,540                         | 9,009   |
| Total Support Services- General Administration | <u>\$ 18,966</u> | <u>\$ 27,549</u> | <u>\$ 18,540</u>               | <u>\$ 9,009</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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| Support Services-School Administration                       |                  |                  |                                |   |
| Personnel Services   | \$ 88,398        | \$ 93,698        | \$ 90,649                      | \$ 3,049  |
| Employee Benefits  | 37,955           | 37,955           | 30,346                         | 7,609   |
| Professional & Tech Services                                 | 2,000            | 2,000            | 1,555                          | 445   |
| Other Purchased Services                                     | 0                | 1,000            | 390                            | 610   |
| Supplies   | 10,500           | 13,500           | 6,063                          | 7,437   |
| Supply Assets  | 0                | 0                | 0                              | 0   |
| Total Support Services-School<br>Administration              | <u>138,853</u>   | <u>148,153</u>   | <u>129,003</u>                 | <u>19,150</u>                                     |
| Total Expenditures   | <u>767,855</u>   | <u>1,115,155</u> | <u>764,137</u>                 | <u>351,018</u>                                    |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 177,699          | 177,789          | (53,302)                       | (231,091)   |
| Cash Balance Beginning of Year                               | <u>(177,699)</u> | <u>(177,699)</u> | <u>(177,699)</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 90</u>     | <u>\$ (231,001)</u>            | <u>\$ (231,091)</u>                               |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ (53,302)                    |   |
| Net Change in Due from Grantor                               |                  |                  | 53,451                         |   |
| Net Change in Accounts Payable                               |                  |                  | <u>(149)</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 PRESCHOOL-24109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2012

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| Federal Grant  | \$ 53,612        | \$ 77,936       | \$ 33,891                      | \$ (44,045)                                       |
| Total Revenues   | <u>53,612</u>    | <u>77,936</u>   | <u>33,891</u>                  | <u>(44,045)</u>                                   |
| <b>Expenditures</b>  |                  |                 |                                |   |
| <b>Instruction</b>   |                  |                 |                                |   |
| Personal Services  | 5,773            | 10,315          | 6,093                          | 4,222   |
| Employee Benefits  | 1,355            | 1,644           | 1,423                          | 221   |
| Professional & Tech Services                                 | 750              | 3,129           | 0                              | 3,129   |
| Other Purchased Services                                     | 2,800            | 7,392           | 0                              | 7,392   |
| Supplies   | 680              | 973             | 972                            | 1   |
| Total Instruction  | <u>11,358</u>    | <u>23,453</u>   | <u>8,488</u>                   | <u>14,965</u>                                     |
| <b>Support Services-General Administration</b>               |                  |                 |                                |   |
| Professional & Tech Services                                 | 1,023            | 1,646           | 890                            | 756   |
| Other Purchased Services                                     | 0                | 7,500           | 0                              | 7,500   |
| Total Support Services-General Administration                | <u>1,023</u>     | <u>9,146</u>    | <u>890</u>                     | <u>8,256</u>                                      |
| <b>Support Services-School Administration</b>                |                  |                 |                                |   |
| Personnel Services   | 20,095           | 23,956          | 20,008                         | 3,948   |
| Employee Benefits  | 8,551            | 8,796           | 7,547                          | 1,249   |
| Professional & Tech Services                                 | 400              | 400             | 0                              | 400   |
| Total Support Services-School Administration                 | <u>29,046</u>    | <u>33,152</u>   | <u>27,555</u>                  | <u>5,597</u>                                      |
| Total Expenditures   | <u>41,427</u>    | <u>65,751</u>   | <u>36,933</u>                  | <u>28,818</u>                                     |
| Excess (Deficiency) of Revenues Over Expenditures            | 12,185           | 12,185          | (3,042)                        | (15,227)  |
| Cash Balance Beginning of Year                               | <u>(12,185)</u>  | <u>(12,185)</u> | <u>(12,185)</u>                | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>     | \$ <u>(15,227)</u>             | \$ <u>(15,227)</u>                                |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ (3,042)                     |   |
| Net change in Due from Grantor                               |                  |                 | 3,042                          |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | \$ <u>0</u>                    |   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-Title III-24153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2012

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| Federal Grant  | \$ 11,967        | \$ 13,961     | \$ 3,610                       | \$ (10,351)                                       |
| Total Revenues   | <u>11,967</u>    | <u>13,961</u> | <u>3,610</u>                   | <u>(10,351)</u>                                   |
| <b>Expenditures</b>  |                  |               |                                |   |
| <b>Instruction</b>   |                  |               |                                |   |
| Personnel Services   | 3,191            | 6,034         | 5,246                          | 788   |
| Employee Benefits  | 809              | 1,235         | 1,229                          | 6   |
| Professional & Tech Services                                 | 4,000            | 460           | 460                            | 0   |
| Purchased Services   | 2,919            | 4,974         | 279                            | 4,695   |
| Total Instruction  | <u>10,919</u>    | <u>12,703</u> | <u>7,214</u>                   | <u>5,489</u>                                      |
| <b>Support Services-General Administration</b>               |                  |               |                                |   |
| Professional & Tech Services                                 | 257              | 317           | 301                            | 16  |
| Total Support Services-General Administration                | <u>257</u>       | <u>317</u>    | <u>301</u>                     | <u>16</u>   |
| <b>Support Services-School Administration</b>                |                  |               |                                |   |
| Professional & Tech Services                                 | 504              | 654           | 272                            | 382   |
| Total Support Services-School Administration                 | <u>504</u>       | <u>654</u>    | <u>272</u>                     | <u>382</u>  |
| Total Expenditures   | <u>11,680</u>    | <u>13,674</u> | <u>7,787</u>                   | <u>5,887</u>                                      |
| Excess (Deficiency) of Revenues Over Expenditures            | 287              | 287           | (4,177)                        | (4,464)   |
| Cash Balance Beginning of Year                               | <u>(287)</u>     | <u>(287)</u>  | <u>(287)</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>   | <u>\$ (4,464)</u>              | <u>\$ (4,464)</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ (4,177)                     |   |
| Net change in Due from Grantor                               |                  |               | 4,177                          |   |
| 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 &amp; RECRUITING-24154

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| Federal Grant  | \$ 301,847       | \$ 301,593       | \$ 239,491                     | \$ (62,102)                                       |
| Total Revenues   | <u>301,847</u>   | <u>301,593</u>   | <u>239,491</u>                 | <u>(62,102)</u>                                   |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Instruction</b>   |                  |                  |                                |   |
| Personnel Services   | 133,480          | 137,513          | 137,513                        | 0   |
| Employee Benefits  | 36,880           | 36,646           | 36,641                         | 5   |
| Professional & Tech Services                                 | 3,700            | 4,654            | 4,653                          | 1   |
| Other Purchased Services                                     | 1,500            | 0                | 0                              | 0   |
| Supplies   | 4,903            | 1,396            | 1,395                          | 1   |
| Total Instruction  | <u>180,463</u>   | <u>180,209</u>   | <u>180,202</u>                 | <u>7</u>  |
| <b>Support Services-Students</b>                             |                  |                  |                                |   |
| Professional & Tech Services                                 | 716              | 71               | 70                             | 1   |
| Supplies   | 1,630            | 0                | 0                              | 0   |
| Support Services-Students                                    | <u>2,346</u>     | <u>71</u>        | <u>70</u>                      | <u>1</u>  |
| <b>Support Services-General Administration</b>               |                  |                  |                                |   |
| Professional & Tech Services                                 | 3,800            | 4,700            | 4,653                          | 47  |
| Total Support Services-General Administration                | <u>3,800</u>     | <u>4,700</u>     | <u>4,653</u>                   | <u>47</u>   |
| <b>Support Services-School Administration</b>                |                  |                  |                                |   |
| Professional & Tech Services                                 | 6,812            | 7,987            | 7,922                          | 65  |
| Other Purchased Services                                     | 0                | 200              | 198                            | 2   |
| Total Support Services-School Administration                 | <u>6,812</u>     | <u>8,187</u>     | <u>8,120</u>                   | <u>67</u>   |
| Total Expenditures   | <u>193,421</u>   | <u>193,167</u>   | <u>193,045</u>                 | <u>122</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 108,426          | 108,426          | 46,446                         | (61,980)  |
| Cash Balance Beginning of Year                               | <u>(108,426)</u> | <u>(108,426)</u> | <u>(108,426)</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>      | \$ <u>(61,980)</u>             | \$ <u>(61,980)</u>                                |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ 46,446                      |   |
| Net change in Due from Grantor                               |                  |                  | <u>(46,446)</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | \$ <u>0</u>                    |   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-TITLE I-RECOVERY ACT-24201  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2012

|  | Budgeted Amounts |                | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|----------------|--------------------------------|---|
|  | Original         | Final          |                                |   |
| Revenues   |                  |                |                                |   |
| Federal Grant  | \$ 6,854         | \$ 6,854       | \$ 6,854                       | \$ 0  |
| Total Revenues   | <u>6,854</u>     | <u>6,854</u>   | <u>6,854</u>                   | <u>0</u>  |
| Expenditures   |                  |                |                                |   |
| Instruction  |                  |                |                                |   |
| Supplies   | <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<br>Over Expenditures         | 6,854            | 6,854          | 6,854                          | 0   |
| Cash Balance Beginning of Year                               | <u>(6,854)</u>   | <u>(6,854)</u> | <u>(6,854)</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 |                  |                | \$ 6,854                       |   |
| Net change in Due from Grantor                               |                  |                | <u>(6,854)</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 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, 2012

|  | Budgeted Amounts |                | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|----------------|--------------------------------|---|
|  | Original         | Final          |                                |   |
| <b>Revenues</b>  |                  |                |                                |   |
| Federal Grant  | \$ 1,143         | \$ 1,143       | \$ 1,143                       | \$ 0  |
| Total Revenues   | <u>1,143</u>     | <u>1,143</u>   | <u>1,143</u>                   | <u>0</u>  |
| <b>Expenditures</b>  |                  |                |                                |   |
| <b>Instruction</b>   |                  |                |                                |   |
| Supplies   | <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<br>Over Expenditures         | 1,143            | 1,143          | 1,143                          | 0   |
| Cash Balance Beginning of Year                               | <u>(1,143)</u>   | <u>(1,143)</u> | <u>(1,143)</u>                 | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>    | <u>\$ 0</u>                    | <u>\$ 0</u>                                       |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                | \$ 1,143                       |   |
| Net change in Due from Grantor                               |                  |                | <u>(1,143)</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-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, 2012

|  | Budgeted Amounts |                | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|----------------|--------------------------------|---|
|  | Original         | Final          |                                |   |
| <b>Revenues</b>  |                  |                |                                |   |
| Federal Grant  | \$ 1,462         | \$ 1,462       | \$ 1,462                       | \$ 0  |
| Total Revenues   | <u>1,462</u>     | <u>1,462</u>   | <u>1,462</u>                   | <u>0</u>  |
| <b>Expenditures</b>  |                  |                |                                |   |
| <b>Food Services</b>   |                  |                |                                |   |
| Professional & Tech Services                                 | 0                | 0              | 0                              | 0   |
| Supplies   | <u>0</u>         | <u>0</u>       | <u>0</u>                       | <u>0</u>  |
| Total Food Services  | <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<br>Over Expenditures         | 1,462            | 1,462          | 1,462                          | 0   |
| Cash Balance Beginning of Year                               | <u>(1,462)</u>   | <u>(1,462)</u> | <u>(1,462)</u>                 | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>    | <u>\$ 0</u>                    | <u>\$ 0</u>                                       |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                | \$ 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, 2012

|  | Budgeted Amounts |                | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|----------------|--------------------------------|---|
|  | Original         | Final          |                                |   |
| Revenues   |                  |                |                                |   |
| Fees   | \$ 100,432       | \$ 100,432     | \$ 137,606                     | \$ 37,174   |
| Total Revenues   | <u>100,432</u>   | <u>100,432</u> | <u>137,606</u>                 | <u>37,174</u>                                     |
| Expenditures   |                  |                |                                |   |
| Support Services-Students                                    |                  |                |                                |   |
| Personnel Services   | 100,373          | 98,931         | 98,187                         | 744   |
| Employee Benefits  | 40,144           | 40,647         | 33,864                         | 6,783   |
| Professional & Tech Services                                 | 0                | 0              | 0                              | 0   |
| Other Purchased Services                                     | 12,000           | 12,000         | 8,514                          | 3,486   |
| Supplies   | 1,000            | 1,939          | 1,939                          | 0   |
| Total Support Services-Students                              | <u>153,517</u>   | <u>153,517</u> | <u>142,504</u>                 | <u>11,013</u>                                     |
| Support Services-General Administration                      |                  |                |                                |   |
| Professional & Tech Services                                 | 4,595            | 4,595          | 3,967                          | 628   |
| Total Support Services-General Administration                | <u>4,595</u>     | <u>4,595</u>   | <u>3,967</u>                   | <u>628</u>  |
| Support Services-School Administration                       |                  |                |                                |   |
| Personnel Services   | 17,784           | 17,784         | 11,142                         | 6,642   |
| Employee Benefits  | 7,909            | 7,909          | 6,095                          | 1,814   |
| Professional & Tech Services                                 | 2,195            | 2,195          | 860                            | 1,335   |
| Total Support Services-School Administration                 | <u>27,888</u>    | <u>27,888</u>  | <u>18,097</u>                  | <u>9,791</u>                                      |
| Total Expenditures   | <u>186,000</u>   | <u>186,000</u> | <u>164,568</u>                 | <u>21,432</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (85,568)         | (85,568)       | (26,962)                       | 58,606  |
| Cash Balance Beginning of Year                               | <u>85,568</u>    | <u>85,568</u>  | <u>85,568</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>    | <u>\$ 58,606</u>               | <u>\$ 58,606</u>                                  |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                | \$ (26,962)                    |   |
| Net Change in Due from Grantor                               |                  |                | 917                            |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                | <u>\$ (26,045)</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, 2012

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| Federal Grant  | \$ 0             | \$ 10,204     | \$ 10,204                      | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>10,204</u> | <u>10,204</u>                  | <u>0</u>  |
| <b>Expenditures</b>  |                  |               |                                |   |
| <b>Instruction</b>   |                  |               |                                |   |
| Employee Benefits  | 0                | 10,204        | 10,204                         | 0   |
| Total Instruction  | <u>0</u>         | <u>10,204</u> | <u>10,204</u>                  | <u>0</u>  |
| Total Expenditures   | <u>0</u>         | <u>10,204</u> | <u>10,204</u>                  | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0             | 0                              | 0   |
| Cash Balance Beginning of Year                               | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>   | <u>\$ 0</u>                    | <u>\$ 0</u>                                       |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ 0                           |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | <u>\$ 0</u>                    |   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-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, 2012

|  | Budgeted Amounts |                | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|----------------|--------------------------------|---|
|  | Original         | Final          |                                |   |
| Revenues   |                  |                |                                |   |
| State Grant  | \$ 7,866         | \$ 12,943      | \$ 11,465                      | \$ (1,478)  |
| Total Revenues   | <u>7,866</u>     | <u>12,943</u>  | <u>11,465</u>                  | <u>(1,478)</u>                                    |
| Expenditures   |                  |                |                                |   |
| Instruction  |                  |                |                                |   |
| Supplies   | <u>0</u>         | <u>5,077</u>   | <u>5,077</u>                   | <u>0</u>  |
| Total Instruction  | <u>0</u>         | <u>5,077</u>   | <u>5,077</u>                   | <u>0</u>  |
| Total Expenditures   | <u>0</u>         | <u>5,077</u>   | <u>5,077</u>                   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 7,866            | 7,866          | 6,388                          | (1,478)   |
| Cash Balance Beginning of Year                               | <u>(7,866)</u>   | <u>(7,866)</u> | <u>(7,866)</u>                 | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>    | <u>\$ (1,478)</u>              | <u>\$ (1,478)</u>                                 |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                | \$ 6,388                       |   |
| Net Change Due from Grantor                                  |                  |                | <u>(6,388)</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, 2012

|  | Budgeted Amounts |                | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|----------------|--------------------------------|---|
|  | Original         | Final          |                                |   |
| <b>Revenues</b>  |                  |                |                                |   |
| State Grant  | \$ 3,895         | \$ 3,895       | \$ 3,895                       | \$ 0  |
| Total Revenues   | <u>3,895</u>     | <u>3,895</u>   | <u>3,895</u>                   | <u>0</u>  |
| <b>Expenditures</b>  |                  |                |                                |   |
| Support Services-Instruction                                 |                  |                |                                |   |
| Supplies   | 452              | 452            | 452                            | 0   |
| Total Support Services-Instruction                           | <u>452</u>       | <u>452</u>     | <u>452</u>                     | <u>0</u>  |
| Total Expenditures   | <u>452</u>       | <u>452</u>     | <u>452</u>                     | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 3,895            | 3,443          | 3,443                          | 0   |
| Cash Balance Beginning of Year                               | <u>(3,443)</u>   | <u>(3,443)</u> | <u>(3,443)</u>                 | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 452</u>    | <u>\$ 0</u>    | <u>\$ 0</u>                    | <u>\$ 0</u>                                       |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                | \$ 3,443                       |   |
| Net Change in Due from Grantor                               |                  |                | <u>(3,443)</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 STUDENT LIBRARY-27106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2012

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| State Grant  | \$ 0             | \$ 23,130     | \$ 12,808                      | \$ (10,322)                                       |
| Total Revenues   | <u>0</u>         | <u>23,130</u> | <u>12,808</u>                  | <u>(10,322)</u>                                   |
| <b>Expenditures</b>  |                  |               |                                |   |
| Support Services-Instruction                                 |                  |               |                                |   |
| Supplies   | 0                | 23,130        | 14,629                         | 8,501   |
| Total Support Services-Instruction                           | <u>0</u>         | <u>23,130</u> | <u>14,629</u>                  | <u>8,501</u>                                      |
| Total Expenditures   | <u>0</u>         | <u>23,130</u> | <u>14,629</u>                  | <u>8,501</u>                                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0             | (1,821)                        | (1,821)   |
| 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>\$ (1,821)</u>              | <u>\$ (1,821)</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ (1,821)                     |   |
| Net Change in Due from Grantor                               |                  |               | <u>1,821</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, 2012

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| State Grant  | \$ 0             | \$ 0             | \$ 0                           | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>0</u>         | <u>0</u>                       | <u>0</u>  |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Instruction</b>   |                  |                  |                                |   |
| 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>  |
| <b>Support Services-General Administration</b>               |                  |                  |                                |   |
| Professional & Tech Services                                 |                  |                  |                                | 0   |
| Other Purchased Services                                     | 0                | 0                | 0                              | 0   |
| Supplies   | 0                | 0                | 0                              | 0   |
| Supply Assets  | <u>0</u>         | <u>0</u>         | <u>0</u>                       | <u>0</u>  |
| Total Support Services-General<br>Administration             | <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<br>Over Expenditures         | <u>0</u>         | <u>0</u>         | <u>0</u>                       | <u>0</u>  |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                                |   |
| Transfers  | 0                | 0                | (14,631)                       | (14,631)  |
| Total Other Sources (Uses)                                   | <u>0</u>         | <u>0</u>         | <u>(14,631)</u>                | <u>(14,631)</u>                                   |
| Net Change in Fund Balance                                   | 0                | 0                | (14,631)                       | (14,631)  |
| Cash Balance Beginning of Year                               | <u>14,631</u>    | <u>14,631</u>    | <u>14,631</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 14,631</u> | <u>\$ 14,631</u> | <u>\$ 0</u>                    | <u>\$ (14,631)</u>                                |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ <u>0</u>                    |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | \$ <u>0</u>                    |   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-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, 2012

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| State Grant  | \$ 0             | \$ 0            | \$ 0                           | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>0</u>        | <u>0</u>                       | <u>0</u>  |
| <b>Expenditures</b>  |                  |                 |                                |   |
| <b>Instruction</b>   |                  |                 |                                |   |
| 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>  |
| <b>Support Services Instruction</b>                          |                  |                 |                                |   |
| Supplies   | 0                | 0               | 0                              | 0   |
| Total Support Services-Instruction                           | <u>0</u>         | <u>0</u>        | <u>0</u>                       | <u>0</u>  |
| Total Expenditures   | <u>0</u>         | <u>0</u>        | <u>0</u>                       | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | <u>0</u>         | <u>0</u>        | <u>0</u>                       | <u>0</u>  |
| <b>Other Financing Sources (Uses)</b>                        |                  |                 |                                |   |
| Transfers  | 0                | 0               | (1,165)                        | (1,165)   |
| Total Other Sources (Uses)                                   | <u>0</u>         | <u>0</u>        | <u>(1,165)</u>                 | <u>(1,165)</u>                                    |
| Net Change in Fund Balance                                   | 0                | 0               | (1,165)                        | (1,165)   |
| 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>\$ 0</u>                    | <u>\$ (1,165)</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ <u>0</u>                    |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | \$ <u>0</u>                    |   |

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
SPECIAL REVENUE FUND-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, 2012

|  | Budgeted Amounts |       | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-------|--------------------------------|---|
|  | Original         | Final |                                |   |
| <b>Revenues</b>  |                  |       |                                |   |
| State Grant  | \$               | \$ 0  | \$ 0                           | \$ 0  |
| Total Revenues   |                  | 0     | 0                              | 0   |
| <b>Expenditures</b>  |                  |       |                                |   |
| Support Services-Instruction                                 |                  |       |                                |   |
| Supplies   |                  | 0     | 0                              | 0   |
| Total Support Services-Instruction                           |                  | 0     | 0                              | 0   |
| Total Expenditures   |                  | 0     | 0                              | 0   |
| Excess (Deficiency) of Revenues<br>Over Expenditures         |                  | 0     | 0                              | 0   |
| Other Financing Sources (Uses)                               |                  |       |                                |   |
| Transfers  |                  | 0     | (269)                          | (269)   |
| Total Other Sources (Uses)                                   |                  | 0     | (269)                          | (269)   |
| Net Change in Fund Balance                                   |                  | 0     | (269)                          | (269)   |
| Cash Balance Beginning of Year                               |                  | 269   | 269                            | 0   |
| Cash Balance End of Year                                     | \$               | 269   | 0                              | (269)   |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |       |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |       | \$ 0                           |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |       | \$ 0                           |   |

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, 2012

|  | Budgeted Amounts    |                     | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|---------------------|---------------------|--------------------------------|---|
|  | Original            | Final               |                                |   |
| <b>Revenues</b>  |                     |                     |                                |   |
| Property Taxes   | \$ 918,896          | \$ 918,896          | \$ 1,209,592                   | \$ 290,696  |
| Interest Income  | 500                 | 500                 | 1,150                          | 650   |
| Total Revenues   | <u>919,396</u>      | <u>919,396</u>      | <u>1,210,742</u>               | <u>291,346</u>                                    |
| <b>Expenditures</b>  |                     |                     |                                |   |
| Support Services-General Administration                      |                     |                     |                                |   |
| Professional & Tech Services                                 | <u>3,000</u>        | <u>3,000</u>        | <u>2,246</u>                   | <u>754</u>  |
| Total Support Services-General Administration                | <u>3,000</u>        | <u>3,000</u>        | <u>2,246</u>                   | <u>754</u>  |
| <b>Debt Service</b>  |                     |                     |                                |   |
| Principal  | 870,000             | 870,000             | 870,000                        | 0   |
| Interest   | <u>48,896</u>       | <u>48,896</u>       | <u>48,895</u>                  | <u>1</u>  |
| Total Debt Service   | <u>918,896</u>      | <u>918,896</u>      | <u>918,895</u>                 | <u>1</u>  |
| Total Expenditures   | <u>921,896</u>      | <u>921,896</u>      | <u>921,141</u>                 | <u>755</u>  |
| Excess (Deficiency) of Revenues Over Expenditures            | (2,500)             | (2,500)             | 289,601                        | 292,101   |
| Cash Balance Beginning of Year                               | <u>1,018,757</u>    | <u>1,018,757</u>    | <u>1,018,757</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 1,016,257</u> | <u>\$ 1,016,257</u> | <u>\$ 1,308,358</u>            | <u>\$ 292,101</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                     |                     |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                     |                     | \$ 289,601                     |   |
| Net change in Taxes Receivable                               |                     |                     | (431)                          |   |
| Net change in Deferred Revenue                               |                     |                     | <u>3,343</u>                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                     |                     | <u>\$ 292,513</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, 2012

|                            | Balance<br>06/30/11 | Receipts | Disbursements | Balance<br>06/30/12 |
|----------------------------|---------------------|----------|---------------|---------------------|
| <b>ASSETS</b>              |                     |          |               |                     |
| Red Ribbon Campaign        | \$ 226              | \$ 0     | \$ 0          | 226                 |
| Book Fund                  | 14,655              | 5,939    | 8,706         | 11,888              |
| Elem Art Program           | 77                  | 46       | 0             | 123                 |
| General Fund               | 1,077               | 0        | 394           | 683                 |
| Gifted Programs            | 2,216               | 0        | 587           | 1,629               |
| Cafeteria General          | 0                   | 8,520    | 8,520         | 0                   |
| Maintenance                | 5,150               | 0        | 4,165         | 985                 |
| Summer School              | 6,770               | 29,635   | 34,147        | 2,258               |
| Snack Bar                  | 740                 | 0        | 0             | 740                 |
| Yeso General               | 2,415               | 11,292   | 12,433        | 1,273               |
| Central Memorial           | 2,138               | 0        | 0             | 2,138               |
| Central General            | 4,592               | 1,339    | 2,755         | 3,176               |
| Central Special Acct.      | 1,615               | 1,500    | 2,000         | 1,115               |
| Grand Heights Gen.         | 1,966               | 17,189   | 14,886        | 4,269               |
| Golf Boosters              | 2,854               | 5,210    | 6,801         | 1,263               |
| Hermosa General            | 2,608               | 10,800   | 11,583        | 1,825               |
| Hermosa Special            | 273                 | 0        | 0             | 273                 |
| Penasco General            | 358                 | 190      | 260           | 288                 |
| AHS Paw Prowlers           | 248                 | 0        | 0             | 248                 |
| Roselawn General           | 3,158               | 8,375    | 6,283         | 5,250               |
| Elem. Science P.I.E.       | 20                  | 0        | 0             | 20                  |
| Yucca General              | 7,564               | 4,379    | 8,375         | 3,568               |
| HS Activity Misc.          | 10,572              | 2,065    | 315           | 12,322              |
| HS Boys A Club             | 7,553               | 6,148    | 8,927         | 4,774               |
| HS Boys Track Team         | 476                 | 11,410   | 10,201        | 1,685               |
| HS Girls A Club            | 223                 | 0        | 0             | 223                 |
| AIS Enrichment             | 1,607               | 4,300    | 4,458         | 1,449               |
| Lou Smith Scholarship      | 961                 | 770      | 400           | 1,331               |
| J. Clark Bruce Scholarship | 26                  | 0        | 0             | 26                  |
| Estell Yates Special       | 0                   | 313,280  | 308,688       | 4,592               |
| Navajo Pie                 | 0                   | 140,508  | 77,941        | 62,568              |
| Mack Chase Scholarship     | 62,433              | 40,000   | 39,500        | 62,933              |
| HS Arts & Crafts           | 5,221               | 1,052    | 2,573         | 3,700               |
| HS Annual Fund             | 4,032               | 21,068   | 13,981        | 11,119              |
| AJHS Paw Prints            | 0                   | 0        | 0             | 0                   |
| HS Band Fund               | 4,444               | 20,435   | 18,396        | 6,483               |
| HS Baseball Boosters       | 4,582               | 35,317   | 35,600        | 4,298               |
| HS Beacon                  | 2,190               | 700      | 1,575         | 1,315               |
| HS Girls Basketball        | 493                 | 5,509    | 5,058         | 944                 |
| AHS Tennis                 | 4,973               | 5,762    | 3,152         | 7,583               |
| AHS Boys Basketball Camp   | 4,566               | 8,433    | 10,991        | 2,008               |
| HS Cheerleaders            | 3,998               | 59,122   | 51,486        | 11,634              |
| Yeso Library               | 4,777               | 3,750    | 6,666         | 1,861               |
| HS Chorus                  | 7,252               | 21,957   | 17,843        | 11,366              |
| HS Night Classes           | \$ 9,859            | \$ 600   | \$ 7,899      | 2,560               |

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, 2012

|                        | Balance<br>06/30/11 | Receipts | Disbursements | Balance<br>06/30/12 |
|------------------------|---------------------|----------|---------------|---------------------|
| Workbook Fees          | \$ 9,926            | \$ 425   | \$ 0          | \$ 10,351           |
| Science Scholarship    | 879                 | 0        | 0             | 879                 |
| Class Of 2010          | 1,278               | 2,241    | 20            | 3,499               |
| Class Of 2008          | 955                 | 10,872   | 7,602         | 4,225               |
| Zac Herrera Memorial   | 2,472               | 75       | 0             | 2,547               |
| RDC Scholarship        | 2,416               | 0        | 0             | 2,416               |
| Class of 2012          | 3,718               | 180      | 1,467         | 2,431               |
| Chase Special Projects | 372,793             | 181,275  | 164,863       | 389,205             |
| Rodeo                  | 4,576               | 14,326   | 6,965         | 11,938              |
| HS Cross Country       | 452                 | 250      | 0             | 702                 |
| AHS Girls Soccer       | 3,140               | 7,445    | 4,789         | 5,796               |
| Boys Soccer            | 1,074               | 5,764    | 2,181         | 4,657               |
| Drivers Education      | 923                 | 15,019   | 15,437        | 505                 |
| HS Deca                | 4,126               | 12,693   | 10,056        | 6,763               |
| HS F.F.A.              | 3,226               | 117,034  | 114,452       | 5,808               |
| AHS Volleyball         | 1,993               | 10,625   | 11,477        | 1,141               |
| Grads Activity         | 4,281               | 539      | 834           | 3,987               |
| HS Football Boosters   | 2,610               | 29,633   | 14,547        | 17,696              |
| HS Football Playoffs   | 32,997              | 20,313   | 20,293        | 33,017              |
| HS General             | 0                   | 2,679    | 2,437         | 243                 |
| HS International Club  | 536                 | 0        | 536           | 0                   |
| HS Health Occupations  | 846                 | 0        | 846           | 0                   |
| HS Honor Society       | 530                 | 830      | 1,218         | 142                 |
| Athletic General       | 5,290               | 12,530   | 7,366         | 10,454              |
| HS Industrial Arts     | 2,574               | 6,494    | 7,272         | 1,796               |
| Grads Co-Pay           | 2,839               | 14,206   | 14,966        | 2,079               |
| HS Library             | 1,566               | 8,345    | 4,377         | 5,534               |
| HS Locker Fund         | 1,822               | 0        | 1,822         | 0                   |
| HS Masques             | 0                   | 2,333    | 1,919         | 414                 |
| Kaci Houghtaling       | 2                   | 1,646    | 560           | 1,089               |
| HS Ideal NM            | 262                 | 2,700    | 2,400         | 562                 |
| Yeso Private Donations | 6,653               | 0        | 0             | 6,653               |
| HS BPA                 | 0                   | 29,542   | 29,542        | 0                   |
| Scholarship Fund       | 31,819              | 51,625   | 54,750        | 28,694              |
| HS Key Club            | 1,311               | 0        | 124           | 1,187               |
| HS Special Education   | 1,187               | 3,907    | 242           | 4,853               |
| HS Student Council     | 1,370               | 695      | 421           | 1,644               |
| HS Swimming Fund       | 2,164               | 978      | 3,142         | 0                   |
| HS Vocational Ag       | 3,098               | 152      | 0             | 3,250               |
| HS Concessions         | 2,120               | 41,777   | 43,515        | 382                 |
| HS Vica-Auto Mechanics | 981                 | 3,880    | 4,346         | 515                 |
| Girls Softball         | 3,769               | 17,468   | 19,636        | 1,601               |
| HS Testing             | 2,158               | 9,987    | 7,845         | 4,300               |
| Park Activity Misc.    | 2,506               | 4,346    | 5,690         | 1,161               |
| Park Annual            | 4,647               | 5,720    | 6,836         | 3,531               |
| Park Vending           | 17                  | 29,507   | 28,183        | 1,341               |
| Park Arts & Crafts     | \$ 2,831            | \$ 1,313 | \$ 0          | \$ 4,144            |

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, 2012

|                          | Balance<br>06/30/11 | Receipts            | Disbursements       | Balance<br>06/30/12 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| Park Cheerleaders        | \$ 9,614            | \$ 6,097            | \$ 7,734            | \$ 7,977            |
| Park FHA                 | 1,788               | 14,140              | 13,939              | 1,990               |
| Park General             | 4,452               | 8,953               | 5,408               | 7,997               |
| AJHS Football            | 892                 | 205                 | 0                   | 1,097               |
| Park Honor Society       | 1,830               | 680                 | 907                 | 1,603               |
| AJHS Border Conf.        | 0                   | 186                 | 186                 | 0                   |
| Park Industrial Arts     | 2,108               | 17,725              | 12,652              | 7,181               |
| AJHS Track               | 1,162               | 747                 | 0                   | 1,909               |
| Park Library             | 3,421               | 1,335               | 2,117               | 2,639               |
| AHS Boys Athletics       | 558                 | 686                 | 168                 | 1,076               |
| APS Trans                | 1,968               | 1,051               | 158                 | 2,861               |
| Park Student Council     | 7,464               | 0                   | 6,464               | 1,000               |
| TW Harvey Football       | 10,076              | 0                   | 0                   | 10,076              |
| Zia General              | 8,377               | 19,290              | 17,957              | 9,710               |
| Zia Library              | 952                 | 9,461               | 9,830               | 583                 |
| District 4-AAA           | 421                 | 0                   | 0                   | 421                 |
| Zia Grants               | 6                   | 0                   | 0                   | 6                   |
| Zia Vending              | 1,902               | 6,116               | 4,793               | 3,225               |
| Zia Band                 | 0                   | 2,122               | 2,122               | 0                   |
| 5th Grade Choir          | 414                 | 15,784              | 9,784               | 6,414               |
| Zia Student Council      | 793                 | 2,437               | 1,739               | 1,491               |
| AHS Chorus               | 2,050               | 19,371              | 16,998              | 4,424               |
| Children First           | 14                  | 0                   | 0                   | 14                  |
| AHS Art                  | 2,196               | 1,745               | 2,498               | 1,443               |
| AHS Girls Ath.           | 1,482               | 859                 | 0                   | 2,341               |
| NMAA District Chair      | 3,521               | 10,275              | 11,373              | 2,423               |
| AHS Bowling              | 3,637               | 8,820               | 11,189              | 1,268               |
| NMPSIA                   | 0                   | 2,488               | 2,354               | 134                 |
| Special Projects 1       | 1,764               | 414                 | 436                 | 1,743               |
| Interest on Investments  | 4,695               | 1,551               | 0                   | 6,246               |
| Total Assets             | <u>\$ 815,248</u>   | <u>\$ 1,640,505</u> | <u>\$ 1,513,322</u> | <u>\$ 942,431</u>   |
| <b>LIABILITIES</b>       |                     |                     |                     |                     |
| Deposits Held for Others | <u>\$ 815,248</u>   | <u>\$ 1,640,505</u> | <u>\$ 1,513,322</u> | <u>\$ 942,431</u>   |
| Total Liabilities        | <u>\$ 815,248</u>   | <u>\$ 1,640,505</u> | <u>\$ 1,513,322</u> | <u>\$ 942,431</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, 2012

|                         |       | Beginning<br>Cash<br>6/30/11 | Revenues             | Expenditures         | Adjustments       | Ending<br>Cash<br>6/30/12 |
|-------------------------|-------|------------------------------|----------------------|----------------------|-------------------|---------------------------|
| Operational             | 11000 | \$ 1,895,157                 | \$ 25,120,327        | \$ 25,567,084        | \$ 16,064         | \$ 1,464,464              |
| Teacherage              | 12000 | 60,366                       | 85,586               | 96,308               | 0                 | 49,644                    |
| Transportation          | 13000 | 0                            | 1,401,697            | 1,401,697            | 0                 | (0)                       |
| Instructional Materials | 14000 | 26,965                       | 154,585              | 155,012              | 0                 | 26,538                    |
| Food Services           | 21000 | 34,489                       | 1,375,253            | 1,382,887            | 0                 | 26,855                    |
| Athletics               | 22000 | 76,471                       | 179,102              | 175,321              | 0                 | 80,253                    |
| Federal Flow through    | 24000 | (428,585)                    | 1,679,844            | 1,769,398            | (2,787)           | (520,926)                 |
| Federal Direct          | 25000 | 85,570                       | 147,810              | 174,774              | 0                 | 58,606                    |
| State Flow through      | 27000 | 4,755                        | 28,169               | 20,159               | (16,064)          | (3,298)                   |
| HB 33                   | 31600 | 9,065,247                    | 8,701,194            | 10,309,749           | 0                 | 7,456,692                 |
| SB-9                    | 31700 | 1,959,325                    | 4,048,710            | 3,272,127            | 0                 | 2,735,909                 |
| Debt Service            | 41000 | 1,018,757                    | 1,210,742            | 921,141              | 0                 | 1,308,358                 |
| Agency Funds            |       | 815,249                      | 1,640,505            | 1,513,323            | 0                 | 942,431                   |
| Total                   |       | \$ <u>14,613,767</u>         | \$ <u>45,773,525</u> | \$ <u>46,758,980</u> | \$ <u>(2,787)</u> | \$ <u>13,625,525</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, 2012

| Federal Agency/Pass Through<br>Grantor/Program Title | Federal<br>CFDA<br>Number | State<br>ID Number | Total<br>Federal<br>Awards<br>Expended |
|--|---------------------------|--------------------|--|
| <u>U. S. Department of Agriculture</u>               |                           |                    |  |
| Pass-through State Public Education Department:      |                           |                    |  |
| National School Lunch Program                        | 10.555                    | 21000              | \$ 627,319                             |
| School Breakfast Program                             | 10.553                    | 21000              | 323,638                                |
| Total Child Nutrition Cluster                        |                           |                    | <u>950,957</u>                         |
| Pass-through State Department of Human Services:     |                           |                    |  |
| Commodities Program                                  | 10.565                    | 21000 (1)          | 84,357                                 |
| Direct Program                                       |                           |                    |  |
| Forest Reserve                                       | 10.670                    | 11000 (1)          | <u>17,144</u>                          |
| Total U. S. Department of Agriculture                |                           |                    | <u>\$ 1,052,458</u>                    |
| <u>U. S. Department of Education</u>                 |                           |                    |  |
| Pass-through State Public Education Department:      |                           |                    |  |
| Special Education Cluster                            |                           |                    |  |
| IDEA, Part B Entitlement                             | 84.027                    | 24106              | \$ 764,286                             |
| IDEA Preschool                                       | 84.173                    | 24109              | 36,933                                 |
| Total Special Education Cluster                      |                           |                    | <u>801,219</u>                         |
| Title I  | 84.010                    | 24101              | 767,480                                |
| English Language Acquisition                         | 84.365                    | 24153              | 7,787                                  |
| Improving Teacher Quality                            | 84.367                    | 24154              | 193,045                                |
| ARRA-Education Job Fund                              | 84.410                    | 25255              | 10,204                                 |
| Total U. S. Department of Education                  |                           |                    | <u>\$ 1,779,735</u>                    |
| Total Federal Assistance                             |                           |                    | <u>\$ 2,832,193</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, 2012

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

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

**Note 2: Insurance Requirements**

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

**Note 3: Loans or Loan Guarantees**

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

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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Artesia Public School District

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 (District) as of and for the year ended June 30, 2012, and have issued our report thereon dated September 20, 2012. 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

Management of the board is responsible for establishing and maintaining effective 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; 12-1, 12-2, 12-3, 12-4 and 12-5. 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; 12-1, 12-2, 12-3, 12-4 and 12-5.

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

September 20, 2012

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 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

Mr. Balderas and Members of the Board

Compliance

We have audited Artesia Public School District (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. 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, 2012.

### 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

September 20, 2012

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2012

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**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> |
|-----------------------|---|
| 10.555                | Child Nutrition Cluster                   |
| 10.553                | National School Lunch Program             |
|                       | School Breakfast Program                  |

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

Auditee qualified as low risk Auditee  yes  no

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOLS**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2012

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**Federal Compliance Findings**

**Prior Year Audit Findings** None  
**Current Year Audit Findings** None

**Financial Statements Findings**

**Prior Year Audit Findings**

|             |  | <u>Status</u> |
|-------------|--|---------------|
| <b>10-1</b> | <b>REPORTING OF INSURANCE PREMIUMS</b> | Resolved      |
| <b>10-3</b> | <b>PAYROLL PROCEDURES</b>              | Resolved      |

**Current Year Audit Findings**

**12-1 PED Cash Reports -Compliance and Internal Control-Significant Deficiency**

**Condition**

The District's PED Cash Report at year end did not properly reflect the June 30, 2012 audited cash balances. The difference was \$3,361.32.

**Criteria**

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

**Cause**

Our reconciled balances did not agree with the District's PED cash report balances. Adjustments were made during the audit process clearing grant negative cash balances causing there to be differences.

**Effect**

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in impaired decision making by the District's governing board.

**Recommendation**

We recommend that the District resolve negative grant balances before preparing the PED cash report.

**Response**

We will clear negative grant balances before year end.

**12-2 Incorrect posting of Revenue-Compliance and Internal Control-Significant Deficiency**

**Condition**

Revenue for fund 24106 of \$134,684 was posted to fund 24101.

**Criteria**

6.20.2.9 NMAC Procedural Requirements. All school district shall account for financial transactions.

**Cause**

A error was made but not caught until the audit. Grant negative cash balances were not reconciled to subsequent collections and work product was not properly reviewed.

**Effect**

Incorrect posting of revenue could cause material misstatements in the financials misleading the readers and those that use the information to make management decisions. Grant reimbursement requests could be understated causing failure to be completely reimbursed for expenditures incurred.



**Recommendation**

Work products should be reviewed and reconciled to PED provided information and subsequent collections.

**Response**

The employee involved has been reprimanded and procedures have been implemented to assure this error will not occur again.

**12-3 Request for grant expenditures-Compliance and Internal Control-Significant Deficiency**

**Condition**

The District did not receive \$4,998.91 for fund 24106 and \$4,694.97 for fund 24153. The time has expired for the requests and the money cannot be recovered.

**Criteria**

6.20.2.9 NMAC Procedural Requirements. All school district shall account for financial transactions.

**Cause**

A new line item was set up and was not added to the report used to request reimbursements. The responsible employee failed to add the new number and failed to compare the report to the general ledger.

**Effect**

The District's operating funds will have to absorb the loss of the unreimbursed federal monies. The operating funds could have been spent for other needs in the District.

**Recommendation**

Reports should be compared to the general ledger for accuracy and completeness.

**Response**

New procedures has be implemented to correct this issue.

**12-4 Sponsor's external bank account-Compliance and Internal Control-Significant Deficiency**

**Condition**

The baseball coach opened a bank account in 2008 with the name AHS Summer Baseball. His signature was the only signature required on the bank account. The books and records were not kept by the District. The District was unaware of this bank account until the spring of 2012. The coach settled with the District by reimbursing the baseball program \$15,087.64 which is the amount for expenditures that could not be supported by documentation.

**Criteria**

The District has a specific policy prohibiting any activity from having their own bank account and not being under the direct control of the District.

**Cause**

This sponsor opened the account without the District's knowledge and violated the policy of the District against outside bank accounts for activities.

**Effect**

Money collected for the summer baseball program could not be determined to have been spent on the program. The public donations and student fees were spent without documentation and approval of management.

**Response**

All coaches and sponsors are required to sign a statement that they have read the policy and understand that if the policy is violated, legal action will result.

**12-5 Payroll-Compliance and Internal Control-Significant Deficiency**

**Condition**

When sampling payroll, one (1) of forty (40) did not have an updated W-4, I-9 and authorized deductions to reflect the current last name.

**Criteria**

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

**Cause**

Management was unaware that the employees had incomplete files or that the contracts did not agree with the amount paid to the employees.

**Effect**

The District is not in compliance with the Immigration Reform and Control Act or with New Mexico State Statutes. The District could be at risk of substantial fines for failure to maintain I-9's.

**Response**

We have added another position in the payroll department to assure these finding will not occur again.

**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 September 20, 2012. Present were Dr. Crit D. Caton-Superintendent, Juan C. Saiz-Assistant Superintendent of Operations, John Ross Null-Assistant Superintendent for Curriculum, Margaret Aguilar-Board Secretary/Audit Committee, Melany Cardwell-Audit Committee, Lisa Worley-Accounts Payable, Summer Quinones-Business Office Specialist, Cindy Panzer-Business Office Specialist, Suzy Tucker- Business Office Specialist, Jacquelyn Sanderson-Business Manager and DeAun Willoughby, CPA.