

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Financial Statements  
With Independent Auditor's Report Thereon  
June 30, 2009**



## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Table of Contents  
June 30, 2009**

**INTRODUCTORY SECTION**

Table of Contents .....	iii
Official Roster.....	vi

**FINANCIAL SECTION**

Independent Auditor’s Report.....	3
Management’s Discussion and Analysis.....	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets .....	11
Statement of Activities.....	12

Fund Financial Statements:

Governmental Funds:

Balance Sheet – Governmental Funds .....	14
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets .....	17
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds .....	18
Reconciliation of Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21

Major Funds:

Combined Statement of Revenues, Expenditures and Changes in Fund

Balance – Budget (Non-GAAP Basis) and Actual:

General Fund .....	22
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	27

Notes to the Financial Statements.....	29
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Other Information Pertaining to Major Funds:

Combining Balance Sheet – General Fund .....	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund .....	51
Statement of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual:	
Operational .....	52
Transportation .....	56
Instructional Materials.....	57
Bond Building .....	58
Capital Improvements HB-33.....	59
Capital Improvements SB-9 .....	60

**SUPPLEMENTARY INFORMATION**

Non-major Governmental Funds:

Combining Balance Sheet .....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
Cafeteria.....	82

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT**

**Table of Contents  
June 30, 2009**

Athletics.....	83
Need Grant .....	84
IDEA-B Preschool .....	85
IDEA-B Entitlement.....	86
NM Partnership in Character Education.....	87
Technology Literacy.....	88
Library Books .....	89
Teacher/Principal Training and Recruiting.....	90
Safe and Drug Free Schools .....	91
New Mexico Energy .....	92
Carl Perkins Vocational Ed .....	93
Title XIX Medicaid.....	94
Technology in Education.....	95
GO Bond C Library .....	96
Model for Effective Teacher Mentoring.....	97
Technology Equity.....	98
School Improvement Framework .....	99
Suicide Prevention .....	100
School Based Health Clinic .....	101
Title I .....	102
English Language Acquisition.....	103
Family & Youth Resource Program .....	104
Breakfast for Elementary Schools .....	105
Libraries 2006 GO Bonds.....	106
Schools in Need of Improvement .....	107
Microsoft Settlement .....	108
Fresh Fruits & Vegetables .....	109
Private School Share.....	110
Discretionary IDEA B .....	111
Special Capital Outlay State .....	112
Public Schools Capital Outlay .....	113
Energy Efficiency Act .....	114
Debt Service.....	115
Agency Funds (Other Supplemental Information)	
Schedule of Changes in Assets and Liabilities.....	118
Charter School Jefferson Montessori Academy	
Combining Balance Sheet.....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	124
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual	
Operational Fund.....	126
Instruction.....	127
Food Services .....	128
IDEA-B Special Revenue Fund.....	129
Library GO Bonds .....	130
Model for Effective Teacher Mentoring.....	131
Reading Material First.....	132
Public Schools Capital Outlay Capital Projects Fund .....	133

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT**

**Table of Contents  
June 30, 2009**

Other Supplemental Information:

Schedule of Collateral Pledged by Depository .....	134
Schedule of Cash and Temporary Investments by Depository .....	136
Cash Reconciliation .....	138
Cash Reconciliation - Jefferson Montessori Academy .....	142
Schedule of Joint Powers Agreements.....	144
Schedule of Memorandums of Understanding .....	148

**COMPLIANCE SECTION**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	153
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	155
Schedule of Expenditures of Federal Awards.....	157
Schedule of Findings and Questioned Costs .....	158
Exit Conference.....	164

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT**

**Official Roster  
June 30, 2009**

**BOARD OF EDUCATION**

Ron Singleton	President
Angela Campos	Vice-President
Steve West	Secretary
Martin Dorado	Member
Doris Bruton Carleton	Member

**SCHOOL OFFICIALS**

Sheri S. Williams	Superintendent
Laura Garcia	Director of Finance



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Board of Education  
Carlsbad Municipal School District No. 20  
Carlsbad, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparisons, the aggregate discretely presented component unit, and the aggregate remaining fund information of the Carlsbad Municipal School District No. 20 (the "District"), as of and for the year ended June 30, 2009 which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of the discretely presented component unit, the District's non-major governmental funds and the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

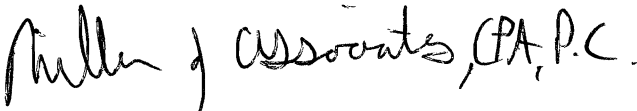
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the primary government, as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental and fiduciary fund of Carlsbad Municipal School District No. 20 and the discretely presented component unit as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison statements for the Bond Building Fund, Capital Improvement HB-33 Fund and the Capital Improvement SB-9 Fund and the discretely presented component unit and the remaining non-major governmental 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 December 18, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The additional schedules listed under supplementary information are presented for purposes of additional analysis are not a required part of the basic financial statements of Carlsbad Municipal School District No. 20. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



Miller & Associates, CPA, P.C.  
December 18, 2009

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information)**  
**June 30, 2009**

**Introduction**

This discussion and analysis of Carlsbad Municipal School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2009 are as follows:

- Capital assets increased from \$92,315,677 in the year ending June 30, 2008 to \$101,917,416 in the year ending June 30, 2009. This increase is attributed to improvements made to land and buildings and the purchases of vehicles and equipment. Asset additions totaled \$9,866,199.
- Accumulated depreciation as of June 30, 2009 of \$40,223,464 was recorded. This includes current year depreciation of \$3,018,161.
- The overall restricted/unrestricted Fund Balance decreased from \$28,526,229 for the year ending June 30, 2008 to \$23,923,273 for the year ending June 30, 2009. This decrease is primarily attributed to the investments in capital assets for projects completed during the year.
- Total assets of governmental fund activities increased \$5.98 million or 7.04%.
- Total liabilities of governmental fund activities increased \$2.07 million or 14.37%. The increase can be attributed to the increase in accounts payable.
- The District had \$63 million in expenses related to governmental activities: \$11.8 million of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues (primarily State Equalization Guarantee, property taxes, and grants and entitlements) of \$55.4 million were adequate to provide for these programs.

Condensed Statement of Net Assets (in thousands of dollars)

		June 30, 2009		June 30, 2008
		Governmental Activities		Governmental Activities
Current and other assets	\$	29,301	\$	30,154
Net capital assets		61,694		54,859
Total assets		90,995		85,013
Long-term debt outstanding		9,535		11,135
Other liabilities		6,978		3,303
Total liabilities		16,513		14,438
Net assets	\$	74,482	\$	70,575

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information)**  
**June 30, 2009**

Invested in capital assets net			
of related debt	\$	50,559	\$ 42,049
Restricted		15,122	-
Unrestricted		8,801	28,526
Total net assets	\$	<u>74,482</u>	<u>\$ 70,575</u>

Condensed Statement of Activities (in thousands of dollars)

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Revenues:		
Program revenues		
Charges for services	\$ 1,602	\$ 1,755
Operating grants	9,257	9,207
Capital grants	989	165
General revenues		
Property taxes	8,163	8,133
State aid	47,163	45,961
Other	110	395
Total revenue	<u>67,284</u>	<u>65,616</u>
Expenses:		
Instruction	33,829	33,205
Support services:		
Students	5,008	4,981
Instruction	2,365	2,161
General administration	532	753
School administration	3,496	3,408
Central services	1,447	1,244
Operation & maintenance of plant	6,425	5,863
Student transportation	1,752	1,734
Other support	-	18
Operation of non instructional services:		
Food services	3,445	3,239
Community services	83	53
Inventory exempt - unallocated	2,203	1,584
Interest on long term debt	692	224
Depreciation	2,100	1,926
Total expenses	<u>63,377</u>	<u>60,393</u>
Increase (decrease) in net assets	\$ <u>3,907</u>	\$ <u>5,223</u>

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Carlsbad Municipal School District as a financial whole, or as an entire operating entity.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in a single column. For Carlsbad Municipal School District, the General Fund is the most significant fund.

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information)**  
**June 30, 2009**

**Reporting the School District as a Whole**

**Statement of Net Assets and Statement of Activities**

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The accrual basis of accounting considers all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the School District has improved or diminished for the School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports only governmental activities:

**Governmental Activities** – Most of the School District's programs and services are reported in this statement including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Bond Building, HB-33 Capital Improvement Fund, and the SB-9 Capital Improvement Fund.

**Governmental Funds**

Most of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information)**  
**June 30, 2009**

**Governmental Activities**

The Statement of Activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The Statement of Activities (pages 12-13), for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by revenues from state entitlements.

The dependence upon revenues from the State of New Mexico for governmental activities is apparent. Over 90 percent of Total Primary Government Expenses are supported through general revenues.

The School District's food service operation is dependent upon revenues from federal sources. The School District's food service operation had revenues of \$3.38 million and expenses of \$3.44 million for fiscal year 2009. The food service operation has remained self-sufficient and has not required a subsidy from the General Fund. The food service operation receives no support from tax revenues.

**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$67.5 million and expenditures and other financing uses of \$72.0 million. The net change in fund balance for the year was a decrease of \$4.45 million. This decrease is the result of the District's efforts to complete capital improvement projects funded by General Obligation Bonds and 2-Mill Levy funds allocated for major maintenance and improvement projects.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Mexico law and New Mexico Public Education Department regulations and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2009, the School District amended its budget as needed.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2009. Detail budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the non-major funds.

	Final Budget	Actual	Variance
General Fund	\$ 55,859,326	\$ 49,653,376	\$ 6,205,950
Bond Building	6,693,298	1,071,604	5,621,694
Capital Improvement HB-33 Fund	9,412,471	3,503,990	5,908,481
Capital Improvement SB-9 Fund	7,771,450	4,960,965	2,810,485
Other Non-major Funds	7,072,616	5,979,031	1,093,585

For the General Fund, final budgeted revenues and other financing sources are equal to the budgeted expenditures of \$55.9 million.

General Fund expenditures and other financing uses were budgeted at \$55.9 million while actual expenditures were \$49.6 million. The difference between budget and actual expenditures was due to the budgeted emergency reserve and other budgetary savings through out the budget.



**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information)**  
**June 30, 2009**

The General Fund is predominately funded by revenues from the State Of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff.

Actual revenues for the general fund were \$51.0 million and revenues from state sources constitute 97% of the total. Actual revenue surpassed expenditures by \$1.39 million.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2009, the District had \$101.9 million invested in capitalized assets with associated accumulated depreciation of \$40.2 million (see note 6). The value of District owned land and buildings were adjusted to correspond to historical cost or appraised value (if historical cost was not available). The increase in capital assets during the current year is the result of continued construction and improvements throughout the school district.

**Debt**

The total Principal amount paid for outstanding debt for the year ending June 30, 2009 was \$1,675,000; an increase over the \$1,545,000 Principal paid for outstanding debt for the year ending June 30, 2008. The General Obligation Bond issued in 1998 for \$9,900,000 was paid off during the year while the debt service payments for the \$7,100,000 General Obligation Bonds issued in 2007 began. The District had outstanding bonds payable in the amount of \$11,135,000 for the year ending June 30, 2009.

The District is bonded to 13.4% of the legal limit in the amount of \$83.0 million.

**Economic Factors and Next Year's Budget**

Carlsbad Municipal School is located in Eddy County. Eddy County, like the rest of urban New Mexico, has a strong and balanced economy. Employment in the area has been stable for the past three years.

While Eddy County's population continues to increase, Carlsbad Municipal School District has experienced a decline in enrollment since the peak of 7,031 students in 1993-94. The number of school age children has declined for the past several years and is projected to stabilize in the following years. The enrollment for 2007-08 was 5,958 and the enrollment for 2008-09 was 5,868. Projected enrollment for 2009-2010 is 5,906, which substantiates the stabilization prediction for the following years.

Carlsbad Municipal School District received approximately 51% of the 2008-09 approved annual operating budget from the State of New Mexico through the State Equalization Guaranteed Funding. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in an objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The basis for the formula is in the number of students enrolled. Weighting factors are assigned to students that receive special services, i.e., special education and bilingual education services as well as other factors based on the training and experience of the teaching staff and the district's at-risk population.

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information)**  
**June 30, 2009**

**Contacting the School District's Financial Management**

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Question about this report or additional financial information needs should be directed to:

Laura Garcia  
Director of Finance  
Carlsbad Municipal Schools  
408 N. Canyon  
Carlsbad, NM 88220  
[Laura.Garcia@carlsbad.k12.nm.us](mailto:Laura.Garcia@carlsbad.k12.nm.us)  
(505) 234-3300

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Government-Wide**  
**Statement of Net Assets**  
**June 30, 2009**

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 25,886,795	\$ 578,902
Receivables	1,349,240	488
Prepaid expenses	1,417,698	-
Inventory	565,706	-
Other assets	81,485	-
Capital assets (net of accumulated depreciation):		
Land	1,346,923	-
Land improvements	5,207,574	-
Buildings and building improvements	41,722,230	-
Furniture, fixtures, and equipment	4,288,454	12,693
Construction in progress	9,128,771	-
Total assets	\$ 90,994,876	\$ 592,083
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 4,620,106	\$ 137,495
Accrued payroll and related expenses	9,745	-
Accrued interest	176,288	-
Deferred revenue	383,333	9,561
Compensated absences - current portion	131,923	-
Noncurrent liabilities:		
Bond premium	47,683	-
Compensated absences - non current portion	8,573	-
Bonds payable:		
Due within one year	1,600,000	-
Due in more than one year	9,535,000	-
Total liabilities	16,512,651	147,056
Invested in capital assets, net of related debt	50,558,952	12,693
Restricted for:		
Debt service	2,103,995	-
Capital projects	13,018,202	34,095
Unrestricted	8,801,076	398,239
Total net assets	74,482,225	445,027
Total liabilities and net assets	\$ 90,994,876	\$ 592,083

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Government-Wide**  
**Statement of Activities**  
**For the Year Ended June 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
Instruction	\$ 33,828,840	\$ 541,275	4,715,488	\$ -
Support services:				
Students	5,008,137	-	20,477	-
Instruction	2,365,064	-	106,539	-
General administration	531,676	-	127,686	-
School administration	3,496,029	-	155,735	-
Central services	1,446,885	-	-	-
Operation & maint. of plant	6,424,705	-	-	-
Student transportation	1,751,947	-	1,765,435	-
Operation of non instr. serv:				
Food services	3,444,854	1,060,917	2,320,247	-
Community services	83,710	-	-	-
Inventory exempt-unallocated	2,203,105	-	45,264	989,294
Interest on long-term debt	692,148	-	-	-
Depreciation - unallocated	2,100,640	-	-	-
Total primary government	<u>\$ 63,377,740</u>	<u>\$ 1,602,192</u>	<u>\$ 9,256,871</u>	<u>\$ 989,294</u>
<b>Component unit:</b>				
Jefferson Montessori Academy	<u>\$ 1,387,827</u>	<u>\$ 16,806</u>	<u>\$ 101,467</u>	<u>\$ -</u>
<b>General revenues:</b>				
State equalization guarantee				
Property taxes:				
General purposes				
Debt service				
Capital projects				
Oil and gas taxes:				
General purposes				
Debt service				
Capital projects				
Unrestricted investment earnings				
Loss on sale of assets				
Total general revenues				
Change in net assets				
Net assets - beginning of year				
Net assets - end of year				

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

Net (Expense) Revenue and Changes in Net  
Assets

Primary Government	Component Unit
Governmental Activities	Governmental Activities
\$ (28,572,077)	\$ -
(4,987,660)	-
(2,258,525)	-
(403,990)	-
(3,340,294)	-
(1,446,885)	-
(6,424,705)	-
13,488	-
(63,690)	-
(83,710)	-
(1,168,547)	-
(692,148)	-
(2,100,640)	-
<u>(51,529,383)</u>	<u>-</u>
	<u>(1,269,554)</u>
47,163,214	1,609,009
308,186	-
932,722	-
2,599,295	-
373,439	-
997,986	-
2,951,792	-
121,839	-
(12,358)	(13,692)
<u>55,436,115</u>	<u>1,595,317</u>
3,906,732	325,763
70,575,493	119,264
<u>\$ 74,482,225</u>	<u>\$ 445,027</u>

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Balance Sheet  
Governmental Funds  
June 30, 2009**

	General Fund	Bond Building	Capital Improvement HB-33
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,156,928	\$ 5,550,840	\$ 6,127,805
Accounts receivable:			
Taxes	37,101	-	152,311
Due from other governments	-	-	-
Due from other funds	912,159	-	-
Prepaid expenses	1,372,923	-	-
Inventory	469,084	-	-
	<u>\$ 10,948,195</u>	<u>\$ 5,550,840</u>	<u>\$ 6,280,116</u>
<i>Total assets</i>			
	<u>\$ 10,948,195</u>	<u>\$ 5,550,840</u>	<u>\$ 6,280,116</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts payable	\$ 230,350	\$ 524,615	\$ 892,055
Due to other governments	2,354,554	-	-
Due to other funds	-	-	-
Deferred revenue:	2,398	-	10,979
	<u>2,587,302</u>	<u>524,615</u>	<u>903,034</u>
<i>Total liabilities</i>			
	<u>2,587,302</u>	<u>524,615</u>	<u>903,034</u>
<i>Fund balances:</i>			
Reserved:			
Reserved for inventory	469,084	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
General Fund	4,818,592	-	-
Special revenue funds	-	-	-
Capital projects funds	-	5,492,963	5,427,587
Undesignated, reported in:			
General Fund	3,073,217	-	-
Special revenue funds	-	-	-
Capital projects funds	-	(466,738)	(50,505)
	<u>8,360,893</u>	<u>5,026,225</u>	<u>5,377,082</u>
<i>Total fund balances</i>			
	<u>8,360,893</u>	<u>5,026,225</u>	<u>5,377,082</u>
<i>Total liabilities and fund balances</i>	<u>\$ 10,948,195</u>	<u>\$ 5,550,840</u>	<u>\$ 6,280,116</u>

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

Capital Improvement SB-9	Other Governmental Funds	Total Governmental Funds
\$ 3,039,382	\$ 3,011,840	\$ 25,886,795
152,311	113,165	454,888
-	894,352	894,352
-	-	912,159
-	44,775	1,417,698
-	96,622	565,706
<u>\$ 3,191,693</u>	<u>\$ 4,160,754</u>	<u>\$ 30,131,598</u>
\$ 595,553	\$ 32,724	\$ 2,275,297
-	-	2,354,554
-	912,159	912,159
10,979	390,835	415,191
<u>606,532</u>	<u>1,335,718</u>	<u>5,957,201</u>
-	96,622	565,706
-	2,103,995	2,103,995
-	-	4,818,592
-	459,545	459,545
1,440,717	-	12,361,267
-	-	3,073,217
-	135,140	135,140
1,144,444	29,734	656,935
<u>2,585,161</u>	<u>2,825,036</u>	<u>24,174,397</u>
<u>\$ 3,191,693</u>	<u>\$ 4,160,754</u>	<u>\$ 30,131,598</u>

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STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2009**

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

Fund balances - total governmental funds	\$	24,174,397
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		61,693,952
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Property taxes		31,858
Bond issuance costs		81,485
Other liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bond premium liability		(47,683)
Accrued interest expense		(176,288)
Long-term liabilities, including bonds payable, capital leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund financial statements.		(11,275,496)
Net assets of governmental activities in the statement of net assets	\$	74,482,225

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2009**

	General Fund	Bond Building	Capital Improvement HB-33
<b>REVENUES</b>			
Property taxes	\$ 305,788	\$ -	\$ 1,320,165
Oil and gas taxes	373,439	-	1,458,035
Investment income	37,352	34,046	28,128
Food services	-	-	-
District activities	89,359	-	-
Revenue from local sources	353,300	-	34,118
Revenue from state sources	49,718,450	-	-
Revenue from federal sources	118,537	-	-
Total revenues	<u>50,996,225</u>	<u>34,046</u>	<u>2,840,446</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	30,152,865	-	-
Support services			
Students	4,274,626	-	-
Instruction	1,947,323	-	-
General administration	422,976	-	12,807
School administration	3,436,174	-	-
Central services	1,437,271	-	-
Operation and maintenance of plant	6,249,212	-	-
Student transportation	1,721,765	-	-
Operation of non instructional services			
Food services operations	-	-	-
Community service	77,235	-	-
Capital outlay	31,444	1,440,539	4,383,238
Debt service	-	-	-
Total expenditures	<u>49,750,891</u>	<u>1,440,539</u>	<u>4,396,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,245,334</u>	<u>(1,406,493)</u>	<u>(1,555,599)</u>
Other financing sources (uses)			
Increase (decrease) in inventory	34,018	-	-
Net changes in fund balances	<u>1,279,352</u>	<u>(1,406,493)</u>	<u>(1,555,599)</u>
Fund balances--beginning of the year	7,081,541	6,468,218	6,932,681
Restatement	-	(35,500)	-
Fund balance - beginning of year as restated	<u>7,081,541</u>	<u>6,432,718</u>	<u>6,932,681</u>
Fund balances--end of the year	<u>\$ 8,360,893</u>	<u>\$ 5,026,225</u>	<u>\$ 5,377,082</u>

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

Capital Improvement SB-9	Other Governmental Funds	Total Governmental Funds
\$ 1,284,443	\$ 1,923,207	\$ 4,833,603
1,493,757	-	3,325,231
16,819	5,494	121,839
-	1,060,917	1,060,917
-	316,862	406,221
-	322,796	710,214
140,796	1,281,995	51,141,241
-	5,730,939	5,849,476
<u>2,935,815</u>	<u>10,642,210</u>	<u>67,448,742</u>
-	3,281,551	33,434,416
-	676,166	4,950,792
-	360,396	2,307,719
12,807	93,540	542,130
-	2,510	3,438,684
-	560	1,437,831
-	87,128	6,336,340
-	-	1,721,765
-	3,467,113	3,467,113
-	439	77,674
5,412,925	801,158	12,069,304
-	2,192,300	2,192,300
<u>5,425,732</u>	<u>10,962,861</u>	<u>71,976,068</u>
<u>(2,489,917)</u>	<u>(320,651)</u>	<u>(4,527,326)</u>
-	39,550	73,568
<u>(2,489,917)</u>	<u>(281,101)</u>	<u>(4,453,758)</u>
5,075,078	3,092,236	28,649,754
-	13,901	(21,599)
<u>5,075,078</u>	<u>3,106,137</u>	<u>28,628,155</u>
<u>\$ 2,585,161</u>	<u>\$ 2,825,036</u>	<u>\$ 24,174,397</u>

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STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Reconciliation of Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2009**

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

Net change in fund balances - total governmental funds \$ (4,453,758)

Governmental funds reported capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures	9,866,199
Depreciation expense	(3,018,161)
Disposal of capital asset	(13,350)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes	4,586
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The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Increase in accrued interest payable	(174,848)
Decrease in the reserve for compensated absences	24,920
Increase in bond premium liability	5,367
Increase in capitalized bond issue costs	(9,223)
Principal payments on bonds	1,675,000

Change in net assets of governmental activities	\$ 3,906,732
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The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 652,071	\$ 652,071	\$ 723,726	\$ 71,655
Investment income	177,700	177,700	37,352	(140,348)
District activities	83,000	83,000	89,359	6,359
Revenue from local sources	175,200	175,200	353,300	178,100
Revenue from state sources	50,079,398	49,956,021	49,718,450	(237,571)
Revenue from federal sources	64,012	93,541	118,537	24,996
<i>Total revenues</i>	<u>51,231,381</u>	<u>51,137,533</u>	<u>51,040,724</u>	<u>(96,809)</u>
<b>EXPENDITURES</b>				
Instruction:				
Personnel services - compensation	23,189,676	23,221,506	22,892,424	329,082
Personnel services - employee benefits	6,822,919	7,108,519	6,739,014	369,505
Other purchased services	385,070	486,070	290,430	195,640
Supplies	2,794,633	2,393,656	585,700	1,807,956
Property	363,434	363,434	21,765	341,669
Total instruction	<u>33,555,732</u>	<u>33,573,185</u>	<u>30,529,333</u>	<u>3,043,852</u>
Support services - student:				
Personnel services - compensation	2,978,640	3,228,440	3,228,273	167
Personnel services - employee benefits	841,293	865,258	863,052	2,206
Purchased professional & technical services	195,526	215,555	212,487	3,068
Purchased property services	1,936	1,671	1,594	77
Other purchased services	13,104	7,104	6,209	895
Supplies	266,038	38	-	38
Property	1,672	1,672	1,147	525
Total support services - student	<u>4,298,209</u>	<u>4,319,738</u>	<u>4,312,762</u>	<u>6,976</u>
Support services - instruction:				
Personnel services - compensation	1,094,501	1,019,501	1,016,521	2,980
Personnel services - employee benefits	363,858	431,058	394,558	36,500
Purchased professional & technical services	92,872	93,372	90,256	3,116
Purchased property services	7,512	7,512	2,148	5,364
Other purchased services	4,253	13,753	10,646	3,107
Supplies	254,357	261,157	242,983	18,174
Property	4,490	12,490	11,570	920
Total support services - instruction	<u>1,821,843</u>	<u>1,838,843</u>	<u>1,768,682</u>	<u>70,161</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b><i>EXPENDITURES (continued)</i></b>				
Support services - general administration:				
Personnel services - compensation	374,656	374,656	216,296	158,360
Personnel services - employee benefits	111,902	111,902	57,525	54,377
Purchased professional & technical services	194,728	195,728	74,252	121,476
Other purchased services	14,060	20,060	15,013	5,047
Supplies	77,317	77,317	64,718	12,599
Property	-	-	-	-
Total support services - general admin.	<u>772,663</u>	<u>779,663</u>	<u>427,804</u>	<u>351,859</u>
Support services - school administration:				
Personnel services - compensation	2,808,034	2,808,034	2,633,490	174,544
Personnel services - employee benefits	971,582	965,082	788,327	176,755
Purchased property services	280	780	300	480
Purchased professional & technical services	6,820	13,820	12,285	1,535
Other purchased services	18,786	19,786	11,868	7,918
Supplies	25,816	25,816	19,854	5,962
Property	3,715	4,215	3,909	306
Total support services - school admin.	<u>3,835,033</u>	<u>3,837,533</u>	<u>3,470,033</u>	<u>367,500</u>
Support services - central services:				
Personnel services - compensation	861,474	871,574	865,005	6,569
Personnel services - employee benefits	585,037	596,337	281,164	315,173
Purchased professional & technical services	72,141	80,141	24,893	55,248
Purchased property services	15,182	15,182	11,864	3,318
Other purchased services	25,049	45,049	39,339	5,710
Supplies	1,434,373	1,390,973	249,934	1,141,039
Property	-	3,000	2,475	525
Total support services - central serv.	<u>2,993,256</u>	<u>3,002,256</u>	<u>1,474,674</u>	<u>1,527,582</u>
Support services - operation and maintenance of plant:				
Personnel services - compensation	2,195,155	2,276,155	2,271,060	5,095
Personnel services - employee benefits	758,963	786,563	765,811	20,752
Purchased professional & technical services	1,625	4,625	3,448	1,177
Purchased property services	1,922,381	1,800,781	1,769,769	31,012

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i><b>EXPENDITURES</b> (continued)</i>				
Other purchased services	905,572	930,572	928,555	2,017
Supplies	217,122	233,122	80,704	152,418
Property	20,191	23,191	7,581	15,610
Total support services - operation and maintenance of plant	6,021,009	6,055,009	5,826,928	228,081
Support services - other support:				
Debt service and miscellaneous	555,627	555,627	-	555,627
Total support services - other support	555,627	555,627	-	555,627
Operation of non instructional services - community services:				
Personnel services - compensation	45,098	70,098	58,446	11,652
Personnel services - employee benefits	11,339	21,939	19,279	2,660
Other purchased services	-	-	-	-
Total operation of non instructional services - community services	56,437	92,037	77,725	14,312
Support services - student transportation:				
Personnel services - compensation	84,814	84,814	84,814	-
Personnel services - employee benefits	30,149	30,149	30,148	-
Purchased professional & technical services	11,565	11,565	11,565	-
Purchased property services	278,436	278,436	278,436	-
Other purchased services	1,354,382	1,354,382	1,354,383	-
Supplies	6,089	6,089	6,089	-
Total support services - student transportation	1,765,435	1,765,435	1,765,435	-
Capital outlay	-	40,000	-	40,000
<i>Total expenditures</i>	55,675,244	55,859,326	49,653,376	6,205,950
<i>Excess (deficiency) of revenues over expenditures</i>	(4,443,863)	(4,721,793)	1,387,348	6,109,141

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



**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Other financing sources (uses):</i>				
Designated cash balance	4,443,863	4,721,793	-	(4,721,793)
<i>Total other financing sources (uses)</i>	<u>4,443,863</u>	<u>4,721,793</u>	<u>-</u>	<u>(4,721,793)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	1,387,348	1,387,348
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>5,576,515</u>	<u>5,576,515</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,963,863</u>	<u>\$ 6,963,863</u>

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

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**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2009**

	<u>Agency Funds</u>
<b>ASSETS</b>	
<i>Current assets</i>	
Cash	\$ 468,915
	<u><u>                    </u></u>
 <b>LIABILITIES</b>	
<i>Current liabilities</i>	
Deposits held in trust for others	\$ 468,915
	<u><u>                    </u></u>

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

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**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Carlsbad Municipal School District No. 20 is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Carlsbad and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Carlsbad Municipal School District No. 20's management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (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. The financial statements have incorporated all applicable GASB pronouncements as well as Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

**A. *Financial Reporting Entity***

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements  
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. *Financial Reporting Entity* (continued)

Included in the reporting entity:

**Jefferson Montessori Academy** – This component unit has a separate elected and/or appointed council of trustees and provides services to students, generally within the geographic boundaries of the government. The New Mexico State Auditor, through Rule 2 NMAC 2.2, requires the inclusion of this unit in the reporting entity.

B. *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants whose purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are secluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)*

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. District school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments provide revenues. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

*Operational* – to account for resources traditionally associated with government, which is not required to be accounted for in another fund.

*Transportation* – to account for revenues received for the purpose of transporting students.

*Instructional Materials* – to account for revenues received for the purpose of purchasing instructional materials.

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements  
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*C. Measurement focus, basis of Accounting, and Financial Statement Presentation (continued)*

The *Bond Building 2007 Fund* is used to account for the erecting, remodeling , additions and furnishings of school buildings. This particular Bond Building Fund is for the bond issued in 2007.

The *Capital Improvement HB-33 Fund* is used to account for two mill levy funds authorized by the Public School Capital Improvement Act. The levy must be voted on by local residents and allows the District to impose a property tax.

The *Capital Improvement SB-9 Fund* is used to account for expenditures of property taxes levied and state matching funds restricted to maintenance and capital improvement projects as adopted by school board resolution. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

Additionally, the government reports the following fund types:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

*D. Assets, Liabilities, and Net Assets or Equity*

**Deposits and Investments:** 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.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.



**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*D. Assets, Liabilities, and Net Assets or Equity (continued)*

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Eddy County. The funds are collected by the Eddy County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the Eddy County Treasurer in July and August 2008 is considered ‘measurable and available’ and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2008.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Instructional Materials:** The New Mexico State Department of Education receives federal material leasing funds for which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of material listed in the State Board of Education ‘State Adopted Instructional Material’ list, while thirty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list. The districts are allowed to carry forward unused textbook credits from year to year.

**Inventory:** Inventory is valued at cost utilizing the purchase basis of accounting. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity 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. No deferred revenue was recorded for unused commodity inventory as of June 30, 2009.

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements  
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*D. Assets, Liabilities, and Net Assets or Equity (continued)*

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, the District does not construct or maintain infrastructure assets, accordingly, the District is not subject to this provision of GASB Statement No. 34. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment, including software, is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9C(5). The District considers library books to have a useful life of less than one year; accordingly the cost of library books is expensed annually.

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

Major outlays and NM Public School Facilities Authority Payments for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings	50
Building Improvements	20
Furniture, fixtures and equipment	5-20
Capital leases	20

**Deferred Revenues:** Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*D. Assets, Liabilities, and Net Assets or Equity (continued)*

**Compensated Absences:** The District permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the District. Accumulated sick leave benefits vest with each employee in accordance with District policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service employees. The liability for compensated absences decreased \$24,920 for a total of \$140,496 as of June 30, 2009.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

**Net Assets and Fund Balance:**

Equity is classified as net assets in three components:

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements  
June 30, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*D. Assets, Liabilities, and Net Assets or Equity (continued)*

**Reclassifications:** Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

*E. Revenues*

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the district's program costs."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$47,163,214 in state equalization guarantee distributions during the year ended June 30, 2009.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District recognized \$8,163,420 in tax revenues during the year ended June 30, 2009. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,765,435 in transportation distributions during the year ended June 30, 2009.

**Instructional Materials:** The District had allocations allowed by the State to carry over from the prior year of \$254,605 and received allocations for the current year of \$621,091 for a total of \$875,696. The full amount of allocations used to purchase textbooks during the year was \$338,876, resulting in a carry over to the following year of \$536,820. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*F. Budgetary Information*

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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

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

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

1. In April or May, the Superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, the school board and the State of New Mexico Board of Education must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

*F. Budgetary Information (continued)*

6. Budgets for the General, Special Revenue, Debt Service Fund and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administration Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level. The District had no unfavorable variances within functions.

The appropriated budget for the year ended June 30, 2009 was properly amended by the District's Board of Education throughout the year. These amendments resulted in the following changes:

Budgeted Funds:	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
General Fund	4,443,863	4,721,793
Bond Building	5,129,862	6,623,898
Capital Improvement HB-33 Fund	6,417,321	6,613,315
Capital Improvement SB-9 Fund	4,326,291	4,886,498
Nonmajor Governmental Funds	2,506,396	3,358,711

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The following is a reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund type.

	General Fund	Bond Building	Capital Improvement HB-33	Capital Improvement SB-9
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ 1,279,352	\$ (1,406,493)	\$(1,555,599)	\$ (2,489,917)
Adjustments:				
Accounts receivable	44,499	-	178,034	178,034
Accounts payable	136,231	368,935	892,055	464,767
Inventory	(34,018)	-	-	-
Prepays	(41,114)	-	-	-
Deferred revenue	2,398	-	-	-
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget basis)	\$ 1,387,348	\$ (1,037,558)	\$ (485,510)	\$ (1,847,116)

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3: DEPOSITS AND INVESTMENTS**

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit. At June 30, 2009, there were no investments in non-demand interest-bearing accounts.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States Government, or by their departments or agencies, and which are either direct obligations of the State or United States or are backed by the full faith and credit of those governments.

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2009, \$29,922,419 of the District's bank balances were exposed to custodial credit risk as follows:

	<u>District</u>	<u>Component Unit</u>
Insured (FDIC)	\$ 750,000	\$ 250,000
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District's name	20,970,052	235,995
Uninsured and uncollateralized	7,573,956	142,416
Balance exposed to custodial credit risk	<u>28,544,008</u>	<u>378,411</u>
Total bank balances	<u>29,294,008</u>	<u>628,411</u>
Carrying Amount	<u>\$ 26,355,709</u>	<u>\$ 578,702</u>

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10-1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States Government or by its departments or agencies and are either backed by the full

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

faith and credit of the United States Government or are agencies sponsored by the United States Government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2009. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary.

Collateral Pledged

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution, and one hundred two percent of the amount in overnight repurchase accounts on deposit with the institution. The schedule listed below will meet the State of New Mexico Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	District			Component Unit
	Carlsbad National Bank	Western Commerce Bank	Wells Fargo Bank	Western Commerce Bank
Total amount of deposits	\$ 6,141,713	\$ 18,798,925	\$ 4,353,370	\$ 628,411
FDIC coverage	250,000	250,000	250,000	250,000
Total uninsured public funds	<u>\$ 5,891,713</u>	<u>\$ 18,548,925</u>	<u>\$ 4,103,370</u>	<u>\$ 378,411</u>
Collateral requirement (50% of uninsured public funds)	\$ 2,945,857	\$ 9,399,463	\$ 2,051,685	\$ 189,206
Pledged securities	5,418,658	12,510,369	3,041,025	235,995
Over (under) collateralization	<u>\$ 2,472,801</u>	<u>\$ 3,110,906</u>	<u>\$ 989,340</u>	<u>\$ 46,789</u>

The collateral pledged is listed on p. 134-135 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the District's balance sheet as follows:



**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

	District	Component Unit
Carrying amount - Deposits	\$ 26,355,709	\$ 578,702
Included in the following balance sheet captions:		
Cash and cash equivalents	\$ 26,355,709	\$ 578,702

NOTE 4: RECEIVABLES

Accounts receivable as of June 30, 2009, are as follows:

	General	Capital Improvement HB-33	Capital Improvement SB-9	Other Government Funds	Total
Eddy County Treasurer Property tax receivable	\$ 9,245	\$ 40,885	\$ 40,885	\$ 28,300	\$ 119,315
Oil & gas tax receivable	27,856	111,426	111,426	84,865	335,573
Due from other governments		-	-	894,352	894,352
Totals	\$ 37,101	\$ 152,311	\$ 152,311	\$ 1,007,517	\$ 1,349,240

The above receivables are deemed 100% collectible.

NOTE 5: INTERFUND RECEIVABLES

Interfund balances represent short-term advances to funds that receive grants on a reimbursement basis. The composition of interfund balances during the year ended June 30, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Title I	\$ 197,249
General Fund	IDEA-B Entitlement	422,596
General Fund	IDEA-B Discretionary	44,691
General Fund	Carl Perkins Vocational Ed	36,485
General Fund	Suicide Prevention	35,515
General Fund	Private School Share	7,824
General Fund	Teacher/Principal Training & Recruiting	68,743
General Fund	Safe & Drug Free Schools	3,817
General Fund	Libraries 2006 GO Bond	2,401
General Fund	Beginning Teacher Mentoring	12,262
General Fund	Technology Equity	79,522
General Fund	School Improvement Framework	395
General Fund	Libraries GO Bond	49
General Fund	NM Partnership in Character Education	610
		\$ 912,159

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 6: CAPITAL ASSETS

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

	Balance 06/30/08	Additions	Deletions and transfers	Balance 06/30/09
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 1,346,923	\$ -	\$ -	\$ 1,346,923
Construction in progress	8,684,731	5,084,679	(4,640,639)	9,128,771
Total capital assets not being depreciated	10,031,654	5,084,679	(4,640,639)	10,475,694
Capital assets being depreciated:				
Land improvements	5,267,953	1,901,907	-	7,169,860
Building and building improvements	67,491,561	1,104,343	5,578,776	74,174,680
Furniture, fixtures and equipment	8,586,372	1,775,270	(264,460)	10,097,182
Equipment acquired under capital lease	938,137	-	(938,137)	-
Total capital assets being depreciated	82,284,023	4,781,520	4,376,179	91,441,722
Total capital assets	92,315,677	9,866,199	(264,460)	101,917,416
Less accumulated depreciation:				
Land improvements	(1,729,856)	(232,430)	-	(1,962,286)
Building and building improvements	(30,208,638)	(1,690,781)	(553,031)	(32,452,450)
Furniture, fixtures and equipment	(5,011,795)	(1,048,043)	251,110	(5,808,728)
Equipment acquired under capital lease	(506,124)	(46,907)	553,031	-
	(37,456,413)	(3,018,161)	251,110	(40,223,464)
	\$ 54,859,264	\$6,848,038	\$ (13,350)	\$ 61,693,952

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 6: CAPITAL ASSETS (continued)

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

	Balance 06/30/08	Increases	Decreases	Balance 06/30/09
Leasehold improvements	\$ 48,701	\$ -	\$ (48,701)	\$ -
Furniture, fixtures and equipment	175,819	-	-	175,819
Total capital assets	224,520	-	(48,701)	175,819
Less accumulated depreciation:				
Leasehold improvements	(35,009)	-	35,009	-
Furniture, fixtures and equipment	(140,771)	(22,356)	-	(163,127)
	<u>\$ 48,740</u>	<u>\$ (22,356)</u>	<u>\$ (13,692)</u>	<u>\$ 12,692</u>

Depreciation expense for the year ended June 30, 2009 was charged to the following functions and programs of the primary government:

	District	Component Unit
Instruction	\$ 543,269	\$ -
Support services:		
Students	57,345	-
Instruction	57,345	-
School administration	57,345	-
General administration	21,127	-
Central services	9,054	-
Operation and maintenance of plant	84,509	-
Student transportation	30,182	-
Food services	51,309	-
Community services	6,036	-
Unallocated	2,100,640	22,356
Total depreciation expense	<u>\$ 3,018,161</u>	<u>\$ 22,356</u>

The District has active construction projects as of June 30, 2009. The projects include renovations and improvements to existing school buildings and grounds. A portion of the outstanding projects is funded by payments made directly to contractors by the Deficiencies Correction Unit (DCU). The DCU was created by Laws 2001, Chapter 338, pursuant to the Public School Capital Outlay Act as codified in Section 22-24-4.2 NMSA 1978 to assist in identifying and funding all outstanding deficiencies in public schools and grounds that may adversely affect the health or safety of students and school personnel no later than June 30, 2009.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 7: LONG – TERM DEBT

Bonds outstanding at June 30, 2009, consisted of the following issues:

Series: May 18, 2004  
 Original Issue: \$7,100,000  
 Principal: August 1  
 Interest: February 1 and August 1  
 Rates: 2.50% to 4.00%  
 Purpose of the bonds is to erect, remodel, make additions to and furnish school buildings, and to purchase and improve school grounds within the District.

Series: November 20, 2007  
 Original Issue: \$7,100,000  
 Principal: August 1  
 Interest: February 1 and August 1  
 Rates: 3.70% to 4.125%  
 Purpose of the bonds is to erect, remodel, make additions to and furnish school buildings, and to purchase and improve school grounds within the District.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ending June 30	2004 Issue			2007 Issue		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 1,435,000	\$ 139,422	\$ 1,574,422	\$ 165,000	\$ 259,025	\$ 424,025
2011	500,000	104,438	604,438	1,160,000	232,525	1,392,525
2012	500,000	86,825	586,825	500,000	199,325	699,325
2013	500,000	67,875	567,875	275,000	183,825	458,825
2014	500,000	49,000	549,000	340,000	171,525	511,525
2015-2019	1,000,000	39,750	1,039,750	3,035,000	623,969	3,658,969
2020-2024	-	-	-	1,225,000	22,969	1,247,969
	<u>\$ 4,435,000</u>	<u>\$ 487,337</u>	<u>\$ 4,922,310</u>	<u>\$ 6,700,000</u>	<u>\$ 1,693,163</u>	<u>\$ 8,403,163</u>

Long-term liability activity for the year ended June 30, 2009, was as follows:

	June 30, 2008	Additions	Reductions	June 30, 2009	Due Within One Year
General obligation bonds	\$ 12,810,000	\$ -	\$(1,675,000)	\$11,135,000	\$1,600,000
Compensated absences	165,416	107,003	(131,923)	140,496	131,923
Long-term liabilities	<u>\$12,980,937</u>	<u>\$ 107,003</u>	<u>\$(1,806,923)</u>	<u>\$11,275,496</u>	<u>\$1,731,923</u>

In prior years, the general fund has typically been used to liquidate long-term liabilities other than debt including capital leases and compensated absences.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 8: RENTAL EXPENSES UNDER OPERATING LEASES**

The District is committed under various leases for machinery and equipment. These leases are considered for accounting purposes as operating leases. Lease expenses for the fiscal year totaled \$56,634. The future minimum lease payments for the leases are as follows:

	Governmental Activities
Year ending June 30,	
2010	\$ 44,735
2011	41,472
2012	35,283
2013	31,500
2014	28,179
2015-2019	136
Total future minimum lease payments	\$ 181,305

**NOTE 9: RISK MANAGEMENT**

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 or each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2009, there have been no claims that have exceeded insurance coverage.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 11: ERA PENSION PLAN

*Plan Description.* Substantially all of Carlsbad Municipal School District No. 20's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board is the administrator of the plan, which is a cost sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502.

*Funding Policy.* Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered salary. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Districts contributions to ERA for the years ended June 30, 2009, 2008 and 2007 were \$4,184,679, \$3,775,303, and \$3,384,745 and the employee contributions were \$2,820,613, \$2,710,255, and \$2,584,418, respectively.

NOTE 12: POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees. Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees.

Eligible employers are institution of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act of the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires before the employer's HMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employers effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990 and former legislators who served at least two years. Each participating employer makes contributions to the fund in the amount of 1.3% of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65% of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 12: POST-EMPLOYMENT BENEFITS (continued)**

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of the employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issued 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 Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107.

For the years ended June 30, 2009, 2008, and 2007, the District remitted \$466,962, \$453,352, and \$439,520 in employer contributions and \$233,471, \$226,695, and \$219,758 in employee contributions, respectively.

**NOTE 13: CONTINGENT LIABILITIES**

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 14: ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board (GASB) today issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The Statement provides needed guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks. The requirements in Statement 51 are effective for financial statements for periods beginning after June 15, 2009. The District believes it will have no significant effect on the financial statements for the upcoming year.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements  
June 30, 2009**

NOTE 14: ACCOUNTING STANDARDS (continued)

In June 2008, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Statement 53 is intended to improve how state and local governments report information about derivative instruments—financial arrangements used by governments to manage specific risks or make investments—in their financial statements. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In February 2009, GASB adopted a standard that is designed to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and clarifying the existing governmental fund definitions. The standard establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The requirements in Statement 54 are effective for periods beginning after June 15, 2010. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

NOTE 15: RESTATEMENT

During fiscal year ending June 30, 2009, it was discovered that the bond premium of \$35,500 was recorded in the wrong fund. It was originally recorded in the Bond Building fund and should have been recorded in the Debt Service fund.

In addition, it was determined that the Energy Efficiency fund was closed at June 30, 2008. However, it was still reported on the financial statements for June 30, 2008.



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**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOLS DISTRICT NO. 20**  
**Combining Balance Sheet**  
**General Fund**  
**June 30, 2009**

	Operational	Transportation	Instructional Materials	Total General Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,735,375	\$ -	\$ 421,553	\$ 8,156,928
Receivables:				
Taxes	37,101	-	-	37,101
Due from other funds	912,159	-	-	912,159
Prepaid expenses	1,328,373	44,550	-	1,372,923
Inventory	469,084	-	-	469,084
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 10,482,092</u>	<u>\$ 44,550</u>	<u>\$ 421,553</u>	<u>\$ 10,948,195</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 230,350	\$ -	\$ -	\$ 230,350
Due to other governments	2,354,554	-	-	2,354,554
Deferred revenue	2,398	-	-	2,398
Total liabilities	<u>2,587,302</u>	<u>-</u>	<u>-</u>	<u>2,587,302</u>
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	469,084	-	-	469,084
Unreserved:				
Designated for subsequent year's expenditures reported in:				
General fund	4,313,193	-	505,399	4,818,592
Transportation	-	-	-	-
Instructional materials	-	-	-	-
Undesignated, reported in:				
General fund	3,112,513	-	-	3,112,513
Transportation	-	44,550	-	44,550
Instructional materials	-	-	(83,846)	(83,846)
<i>Total fund balances</i>	<u>7,894,790</u>	<u>44,550</u>	<u>421,553</u>	<u>8,360,893</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 10,482,092</u>	<u>\$ 44,550</u>	<u>\$ 421,553</u>	<u>\$ 10,948,195</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOLS DISTRICT NO. 20**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**For the Year Ended June 30, 2009**

	Operational	Transportation	Instructional Materials	Total General Fund
<b>REVENUES</b>				
Taxes	\$ 679,227	\$ -	\$ -	\$ 679,227
District activities	89,359	-	-	89,359
Revenue from local sources	353,300	-	-	353,300
Revenue from state sources	47,331,924	1,765,435	621,091	49,718,450
Revenue from federal sources	118,537	-	-	118,537
Investment income	37,352	-	-	37,352
Total revenues	<u>48,609,699</u>	<u>1,765,435</u>	<u>621,091</u>	<u>50,996,225</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	29,852,411	-	300,454	30,152,865
Support services:				
Students	4,274,626	-	-	4,274,626
Instruction	1,908,901	-	38,422	1,947,323
General administration	422,976	-	-	422,976
School administration	3,436,174	-	-	3,436,174
Central services	1,437,271	-	-	1,437,271
Operation and maintenance of plant	6,249,212	-	-	6,249,212
Student transportation	-	1,721,765	-	1,721,765
Operation of non instructional services:				
Community services	77,235	-	-	77,235
Capital outlay	31,444	-	-	31,444
Total expenditures	<u>47,690,250</u>	<u>1,721,765</u>	<u>338,876</u>	<u>49,750,891</u>
Excess (deficiency) of revenues over expenditures	<u>919,449</u>	<u>43,670</u>	<u>282,215</u>	<u>1,245,334</u>
Other financing sources (uses) increase (decrease) in inventory	<u>34,018</u>	<u>-</u>	<u>-</u>	<u>34,018</u>
Net changes in fund balances	953,467	43,670	282,215	1,279,352
Fund balances - beginning of year	<u>6,941,323</u>	<u>880</u>	<u>139,338</u>	<u>7,081,541</u>
Fund balances - end of year	<u>\$ 7,894,790</u>	<u>\$ 44,550</u>	<u>\$ 421,553</u>	<u>\$ 8,360,893</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Operational**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 652,071	\$ 652,071	\$ 723,726	\$ 71,655
Investment income	177,700	177,700	37,352	(140,348)
District activities	83,000	83,000	89,359	6,359
Revenue from local sources	175,200	175,200	353,300	178,100
Revenue from state sources	47,484,385	47,361,008	47,331,924	(29,084)
Revenue from federal sources	64,012	93,541	118,537	24,996
<i>Total revenues</i>	48,636,368	48,542,520	48,654,198	111,678
<b>EXPENDITURES</b>				
Instruction:				
Personnel services - compensation	23,189,676	23,221,506	22,892,424	329,082
Personnel services - employee benefits	6,822,919	7,108,519	6,739,014	369,505
Other purchased services	385,070	486,070	290,430	195,640
Supplies	2,008,650	1,607,673	203,306	1,404,367
Property	363,434	363,434	21,765	341,669
Instruction	32,769,749	32,787,202	30,146,939	2,640,263
Support services - student:				
Personnel services - compensation	2,978,640	3,228,440	3,228,273	167
Personnel services - employee benefits	841,293	865,258	863,052	2,206
Purchase prof. & tech. services	195,526	215,555	212,487	3,068
Purchased property services	1,936	1,671	1,594	77
Other purchased services	13,104	7,104	6,209	895
Supplies	266,038	38	-	38
Property	1,672	1,672	1,147	525
Total support services - student	4,298,209	4,319,738	4,312,762	6,976
Support services - instruction:				
Personnel services - compensation	1,094,501	1,019,501	1,016,521	2,980
Personnel services - employee benefits	363,858	431,058	394,558	36,500
Purchase prof. & tech. services	92,872	93,372	90,256	3,116
Purchased property services	7,512	7,512	2,148	5,364
Other purchased services	4,253	13,753	10,646	3,107
Supplies	210,762	217,562	204,561	13,001
Property	4,490	12,490	11,570	920
Total support services - instruction	1,778,248	1,795,248	1,730,260	64,988

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Operational**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><i>EXPENDITURES (continued)</i></b>				
Support services - general administration:				
Personnel services - compensation	374,656	374,656	216,296	158,360
Personnel services - employee benefits	111,902	111,902	57,525	54,377
Purchased professional & technical services	194,728	195,728	74,252	121,476
Other purchased services	14,060	20,060	15,013	5,047
Supplies	77,317	77,317	64,718	12,599
Property	-	-	-	-
Total support services - general admin	772,663	779,663	427,804	351,859
Support services - school administration:				
Personnel services - compensation	2,808,034	2,808,034	2,633,490	174,544
Personnel services - employee benefits	971,582	965,082	788,327	176,755
Purchase prof. & tech. services	6,820	13,820	12,285	1,535
Purchased property services	280	780	300	480
Other purchased services	18,786	19,786	11,868	7,918
Supplies	25,816	25,816	19,854	5,962
Property	3,715	4,215	3,909	306
Total support services - school admin.	3,835,033	3,837,533	3,470,033	367,500
Support services - central services:				
Personnel services - compensation	861,474	871,574	865,005	6,569
Personnel services - employee benefits	585,037	596,337	281,164	315,173
Purchased professional & technical services	72,141	80,141	24,893	55,248
Purchased property services	15,182	15,182	11,864	3,318
Other purchased services	25,049	45,049	39,339	5,710
Supplies	1,434,373	1,390,973	249,934	1,141,039
Property	-	3,000	2,475	525
Total support services - central serv.	2,993,256	3,002,256	1,474,674	1,527,582

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Operational**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i><b>EXPENDITURES</b> (continued)</i>				
Support services - operation and maintenance of plant:				
Personnel services - compensation	2,195,155	2,276,155	2,271,060	5,095
Personnel services - employee benefits	758,963	786,563	765,811	20,752
Purchased professional & technical services	1,625	4,625	3,448	1,177
Purchased property services	1,922,381	1,800,781	1,769,769	31,012
Other purchased services	905,572	930,572	928,555	2,017
Supplies	217,122	233,122	80,704	152,418
Property	20,191	23,191	7,581	15,610
Total support services - operation and maintenance of plant	6,021,009	6,055,009	5,826,928	228,081
Support services - other support:				
Debt service and miscellaneous	555,627	555,627	-	555,627
Total support services - other support	555,627	555,627	-	555,627
Operation of non instructional services - community services:				
Personnel services - compensation	45,098	70,098	58,446	11,652
Personnel services - employee benefits	11,339	21,939	19,279	2,660
Other purchased services	-	-	-	-
Total transportation services	56,437	92,037	77,725	14,312
Capital outlay	-	40,000	-	40,000
Non-operating	-	-	-	-
<i>Total expenditures</i>	53,080,231	53,264,313	47,467,125	5,797,188
<i>Excess (deficiency) of revenues over expenditures</i>	(4,443,863)	(4,721,793)	1,187,073	5,908,866

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Operational**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Other financing sources (uses):</i>				
Designated cash balance	4,443,863	4,721,793	-	(4,721,793)
<i>Total other financing sources (uses)</i>	4,443,863	4,721,793	-	(4,721,793)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	1,187,073	1,187,073
<i>Prior year cash balance</i>	-	-	5,355,238	5,355,238
<i>End of year cash balance</i>	\$ -	\$ -	\$ 6,542,311	\$ 6,542,311

**RECONCILIATION TO GAAP**

Adjustments:

Deferred revenue	(2,398)
Prepaid expenses	(2,556)
Inventory	34,018
Accounts payable	(136,231)
Receivables	(126,439)
Net change in fund balance (GAAP basis)	<u>\$ 953,467</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Transportation**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ 1,765,435	\$ 1,765,435	\$ 1,765,435	\$ -
<i>Total revenues</i>	<u>1,765,435</u>	<u>1,765,435</u>	<u>1,765,435</u>	<u>-</u>
<b>EXPENDITURES</b>				
Support services:				
Student transportation	1,765,435	1,765,435	1,765,435	-
<i>Total expenditures</i>	<u>1,765,435</u>	<u>1,765,435</u>	<u>1,765,435</u>	<u>-</u>
<i>Excess (deficiency) of revenues     over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and     other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Prepaid expenses			43,670	
Net change in fund balance (GAAP basis)			<u>\$ 43,670</u>	

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



**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Instructional Materials**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ 829,578	\$ 829,578	\$ 621,091	\$ (208,487)
<i>Total revenues</i>	<u>829,578</u>	<u>829,578</u>	<u>621,091</u>	<u>(208,487)</u>
<b>EXPENDITURES</b>				
Instruction	785,983	785,983	382,394	403,589
Support services:				
Instruction	43,595	43,595	38,422	5,173
<i>Total expenditures</i>	<u>829,578</u>	<u>829,578</u>	<u>420,816</u>	<u>408,762</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>200,275</u>	<u>200,275</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>200,275</u>	<u>200,275</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>221,277</u>	<u>221,277</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,552</u>	<u>\$ 421,552</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Receivables			81,940	
Net change in fund balance (GAAP basis)			<u>\$ 282,215</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Bond Building**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 69,400	\$ 69,400	\$ 34,046	\$ (35,354)
<i>Total revenues</i>	<u>69,400</u>	<u>69,400</u>	<u>34,046</u>	<u>(35,354)</u>
<b>EXPENDITURES</b>				
Capital outlay	5,199,262	6,693,298	1,071,604	5,621,694
<i>Total expenditures</i>	<u>5,199,262</u>	<u>6,693,298</u>	<u>1,071,604</u>	<u>5,621,694</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,129,862)</u>	<u>(6,623,898)</u>	<u>(1,037,558)</u>	<u>5,586,340</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	5,129,862	6,623,898	-	(6,623,898)
<i>Total other financing sources (uses)</i>	<u>5,129,862</u>	<u>6,623,898</u>	<u>-</u>	<u>(6,623,898)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1,037,558)	(1,037,558)
<i>Prior year cash balance</i>	-	-	6,621,967	6,621,967
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,584,409</u>	<u>\$ 5,584,409</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Capital Improvement HB-33**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,679,156	\$ 2,679,156	\$ 2,956,234	\$ 277,078
Revenue from local sources	-	-	34,118	34,118
Investment income	120,000	120,000	28,128	(91,872)
<i>Total revenues</i>	<u>2,799,156</u>	<u>2,799,156</u>	<u>3,018,480</u>	<u>219,324</u>
<b>EXPENDITURES</b>				
Support services:				
General administration	11,650	16,650	12,807	3,843
Capital outlay	9,204,827	9,395,821	3,491,183	5,904,638
<i>Total expenditures</i>	<u>9,216,477</u>	<u>9,412,471</u>	<u>3,503,990</u>	<u>5,908,481</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,417,321)</u>	<u>(6,613,315)</u>	<u>(485,510)</u>	<u>6,127,805</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	6,417,321	6,613,315	-	(6,613,315)
<i>Total other financing sources (uses)</i>	<u>6,417,321</u>	<u>6,613,315</u>	<u>-</u>	<u>(6,613,315)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(485,510)	(485,510)
<i>Prior year cash balance</i>	-	-	6,967,601	6,967,601
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,482,091</u>	<u>\$ 6,482,091</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Capital Improvement SB-9**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,679,156	\$ 2,679,156	\$ 2,956,234	\$ 277,078
Revenues from state sources	-	140,796	140,796	-
Investment income	65,000	65,000	16,819	(48,181)
<i>Total revenues</i>	<u>2,744,156</u>	<u>2,884,952</u>	<u>3,113,849</u>	<u>228,897</u>
<b>EXPENDITURES</b>				
Support services:				
General administration	11,650	17,650	12,807	4,843
Capital outlay	7,058,797	7,753,800	4,948,158	2,805,642
<i>Total expenditures</i>	<u>7,070,447</u>	<u>7,771,450</u>	<u>4,960,965</u>	<u>2,810,485</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,326,291)</u>	<u>(4,886,498)</u>	<u>(1,847,116)</u>	<u>3,039,382</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	4,326,291	4,886,498	-	(4,886,498)
<i>Total other financing sources (uses)</i>	<u>4,326,291</u>	<u>4,886,498</u>	<u>-</u>	<u>(4,886,498)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1,847,116)	(1,847,116)
<i>Prior year cash balance</i>	-	-	4,339,258	4,339,258
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,492,142</u>	<u>\$ 2,492,142</u>

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

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds  
June 30, 2009**

**SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Cafeteria Fund** – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. The Non-Federal funds consist of income derived from Snack Bar facilities located in the District. Authority for the creation of this fund is NMSA 22-13-13.

**Athletics** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.0 NMAC.

**Need Grant** – This is a direct grant from the American Nuclear Society awarded to Carlsbad High School for the purpose of preparing the next generation for futures in nuclear energy. Authority for creation of this fund is the State Department of Education (now PED) to allow for small one time grants to school districts. 22-8-12 NMSA 1978; OBMS 020-000-0809-0052-IB.

**IDEA-B Preschool** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**IDEA-B Entitlement** – The objective of the fund is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority of the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**NM Partnership in Character Education** - This is a direct grant that requires school personnel to attend training and then implement the Character Counts! program in the schools. Authority for creation of this fund was executed by CMS Board of Education at the October 18, 2005 meeting.

**Technology Literacy** – The objective of this program is to (a) improve student academic achievement through the use of technology in schools; (b) assist all students in becoming technologically literate by the end of the eighth grade; and (c) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. Authority for creation of this fund is Part D of Title II of the Elementary and Secondary Act (ESEA), as amended by the No Child Left Behind Act of 2001.

**Library Books** – This is an award from the State of New Mexico for the purpose of school library. Authority for creation of this fund is by Legislative Appropriation during the 2008 legislative session. 22-8-12 NMSA 1978; OBMS 02-000-0809-0070-IB

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds  
June 30, 2009**

**SPECIAL REVENUE FUNDS**

**Teacher/Principal Training and Recruiting** – The objective of the Improving Teacher Quality State Grants program is to provide funds to State Educational agencies (SEAs), local education agencies (LEAs), State agencies for higher education (SAHEs), and partnerships comprised of institutions of higher education (IHEs), high-need LEAs and other entities to increase the academic achievement of all students by helping schools and school districts to: (1) improve teacher and principal quality (including hiring teachers to reduce class size) and (2) ensure that all teachers are highly qualified. Authority for creation of this fund is Title II, Part A of the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the No Child Left Behind Act of 2001 (NCLB) (Pub. L. No. 107-110).

**Safe and Drug Free Schools** – The objective of the Safe and Drug-Free Schools program is to support programs that prevent violence in and around schools and by strengthening programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources. Authority for creation of this fund is authorized by the Safe and Drug-Free Schools and Communities Act (SDFSCA), contained in Title IV of ESEA.

**New Mexico Energy** – This is a direct grant from the New Mexico State Parks for the "Kids 'n' Parks" program awarded to Alta Vista and P.R. Leyva Middle Schools for the purpose of transporting students to national parks to complete an academic-based outdoor classroom learning experience. Authority for creation of this fund is by award from New Mexico Energy and Natural Resources Department. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended. 22-8-12- NMSA 1978; OBMS 020-000-0809-0067-IB.

**Carl Perkins Vocational Ed** – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Title XIX Medicaid** – The objective of this program is to provide federal funds for the implementation of the Medical Assistance Program Medicaid providing payments for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. Authority for creation of the Title XIX Medical Assistance Program is the Medicaid Title XIX of the Social Security Act, as amended, (42 USC 1396, et seq.)

**Technology in Education** – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

**GO Bond C Library** - This is a continuation grant awarded from the 2004 General Obligation Bonds. The funds are allocated to each district library based on a unit value per enrollment. The District restricted the use of these funds to the purchase of library and reference books. No equipment, software, audio cassettes, compact discs, VHS or DVD items were eligible for purchase with these funds. Authority for creation of this fund was executed by CMS Board of Education at the August, 17, 2004 meeting.

**Model for Effective Teacher Mentoring** – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico State Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds  
June 30, 2009**

**SPECIAL REVENUE FUNDS**

**Technology Equity** – The objective of this program is to provide for more equity in the availability of technology in NM schools. Authority for creation of this fund was executed by CMS Board of Education at the November 19, 2007 meeting.

**School Improvement Framework** – The objective of this program is to provide incentive for schools that have been declared 'on the rise' as a result of meeting adequate yearly progress for two consecutive years, and thereby, exiting from the school in need of improvement process. Authority for creation of this fund is 22-8-12 NMSA 1978; OBMS 020-000-0809-0017-IB.

**Suicide Prevention** - Carlsbad was one of four sites selected by the State to receive this grant. It requires a SBHC to be in operation and a wellness plan must be submitted and approved. A coordinator is required to develop and facilitate intervention programs to reduce the incidence of youth suicide in the selected communities. Training and specific activities are required, such as, the development of Peer Helpers and the implementation of a Prevention Curriculum. Authority for creation of this fund was executed by CMS Board of Education at the January 16, 2007 meeting.

**School Based Health Clinic** - Carlsbad was one of several sites chosen to receive funding to construct and implement a school-based health clinic. The Carlsbad SBHC is located on the campus of the High School. The SBHC is a Level II facility which means it is entitled to 16 hours weekly for both health care and mental health services. Authority for creation of this fund was executed by CMS Board of Education at the August 15, 2006 meeting.

**Title 1** – The major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title 1 campus is eligible to receive Title 1 services. Poverty is the criteria that identifies a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter 1 of Title 1 of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**English Language Acquisition** – The objective of Title III, Part A of the Elementary and Secondary Education Act (ESEA) is to improve the education of limited English proficient (LEP) children and youths by helping them learn English and meet challenging state academic content and student academic achievement standards. The program also provides enhanced instructional opportunities for immigrant children and youths. Authority for creation of this fund was executed by CMS Board of Education at the May 18, 2004 meeting.

**Family & Youth Resource Program** – For the purpose of developing programs as an intermediary for students and their families at public schools to access social and health care services. Authority for creation of this fund was executed by CMS Board of Education at the October 16, 2007 meeting.

**Breakfast for Elementary Students** – To account for revenues appropriated by the NM Legislature to help students develop lifelong healthy eating habits, while ensuring students are prepared for the learning process. Authority for creation of this fund was executed by CMS Board of Education at the August 19, 2008 meeting.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds  
June 30, 2009**

**SPECIAL REVENUE FUNDS**

**Libraries 2006 GO Bonds** – To account for revenues received from the state to acquire library books, equipment, and library resources for public school and state-support school libraries. (Authority, Laws 2006, (SB 301))

**Schools in Need of Improvement** – This is an award from the State of New Mexico to the three secondary schools in Carlsbad for the purpose of providing assistance to schools in need of improvement. Authority for creation of this fund is by legislative appropriation (Laws of 2006 - House Bill 2). 22-8-12 NMSA 1978; OBMS 020-0000-0809-0016-IB.

**Microsoft Settlement** – This direct grant fund represents the 2009-10 carryover from the Microsoft Settlement CY President Award Program for reimbursement of software expenditures made between July 2004 and February 2009 that met the eligibility criteria for the CY President Vouchers awarded in the New Mexico Microsoft Products Class Action Settlement. Authority for creation of this fund is a federal class action out-of-court settlement with Microsoft Corporation 22-8-12 NMSA 1978; OBMS 020-000-0809-0023-IB

**Fresh Fruits and Vegetables** – This award from the State of New Mexico supports a program that introduces children to a variety of produce that they otherwise may not have the opportunity to sample. The program is used primarily to purchase unique fresh fruits and vegetables and is made available to every student at no charge at least 3 days out of the week.. Authority for creation of this fund is 22-8-12 NMSA 1978; OBMS 020-000-0809-0023-IB.

**Private School Share** – Under 34 CFS 300,132-300.133, and LEA must spend a proportionate amount of their IDEA-B Basic Entitlement and, if applicable, preschool sub-grant funds for special education and related services ("equal participation services") to students with disabilities who are parentally placed in private elementary and secondary schools located in the Carlsbad Municipal School district. Authority for creation of this fund is public law 105-17.

**Discretionary IDEA B** – This award from the State of New Mexico was determined based upon the following criteria: 1) Determined to be Needs Assistance (NA) for two consecutive years; 2) Qualified recipients total allocation based on the LEA's children count on December 1 of the 2<sup>nd</sup> NA determination and the availability of the State Level funding for this award. Funds will be used to provide training to address deficiencies in the State Performance Plan Indicators (SPP) 11, 60 day timeline; 12, Part C to Part B Transition; and 13, Post Secondary Transitional goals, CFDA #84.0270. Authority for creation of this fund is public law 105-17.

**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District has three separate funds classified as Capital Projects Funds as follows:

**Special Capital Outlay-State** – The District was selected to receive special capital outlay appropriations. The appropriations are funded by State Severance Tax Bonds, the State General Fund, or the State Highway Division.

**Public Schools Capital Outlay** – The purpose of this fund is to account for resources received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities.



**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds  
June 30, 2009**

**CAPITAL PROJECTS FUNDS**

**Energy Efficiency Act** – The purpose of this fund is to account for revenue pursuant to Public Building Energy Efficiency Act, NMSA 1978 6-23-1 to 6-23-10. Funds will be utilized to retrofit the District’s buildings to provide energy cost savings.

**DEBT SERVICE FUNDS**

**Debt Service Fund** –This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2009

	Special Revenue Funds		
	Cafeteria	Athletics	Need Grant
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 315,851	\$ 277,774	\$ 4,118
Accounts receivable:			
Taxes	-	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid expenses	13,356	-	-
Inventory	96,622	-	-
	<u>\$ 425,829</u>	<u>\$ 277,774</u>	<u>\$ 4,118</u>
<i>Total assets</i>	<u>\$ 425,829</u>	<u>\$ 277,774</u>	<u>\$ 4,118</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ 12,199	\$ 97	\$ -
Due to other governments	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	4,118
<i>Total liabilities</i>	<u>12,199</u>	<u>97</u>	<u>4,118</u>
<i>Fund balances:</i>			
Reserved:			
Reserved for inventory	96,622	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special revenue funds	335,422	124,123	-
Capital project funds	-	-	-
Undesignated, reported in:			
Special revenue funds	(18,414)	153,554	-
Capital project funds	-	-	-
<i>Total fund balances</i>	<u>413,630</u>	<u>277,677</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 425,829</u>	<u>\$ 277,774</u>	<u>\$ 4,118</u>

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

Special Revenue Funds

IDEA-B Preschool	IDEA-B Entitlement	NM Partnership in Character Education	Technology Literacy	Library Books	Teacher / Principal Training & Recruiting	Safe and Drug Free Schools
\$ 7,596	\$ -	\$ -	\$ -	\$ 17,921	\$ -	\$ -
-	-	-	-	-	-	-
-	412,339	610	-	-	65,441	3,506
-	-	-	-	-	-	-
453	10,822	-	-	-	3,302	311
-	-	-	-	-	-	-
<u>\$ 8,049</u>	<u>\$ 423,161</u>	<u>\$ 610</u>	<u>\$ -</u>	<u>\$ 17,921</u>	<u>\$ 68,743</u>	<u>\$ 3,817</u>
\$ 136	\$ 565	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	422,596	610	-	-	68,743	3,817
7,913	-	-	-	17,921	-	-
<u>8,049</u>	<u>423,161</u>	<u>610</u>	<u>-</u>	<u>17,921</u>	<u>68,743</u>	<u>3,817</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8,049</u>	<u>\$ 423,161</u>	<u>\$ 610</u>	<u>\$ -</u>	<u>\$ 17,921</u>	<u>\$ 68,743</u>	<u>\$ 3,817</u>

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2009**

	Special Revenue Funds		
	New Mexico Energy	Carl Perkins Vocational Ed	Title XIX Medicaid
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 140	\$ -	\$ 257,747
Accounts receivable:			
Taxes	-	-	-
Due from other governments	-	36,485	-
Due from other funds	-	-	-
Prepaid expenses	-	-	1,894
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 140</u>	<u>\$ 36,485</u>	<u>\$ 259,641</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Due to other funds	-	36,485	-
Deferred revenue	140	-	259,641
<i>Total liabilities</i>	<u>140</u>	<u>36,485</u>	<u>259,641</u>
<i>Fund balances:</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Undesignated, reported in:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 140</u>	<u>\$ 36,485</u>	<u>\$ 259,641</u>

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

Special Revenue Funds

Technology in Education	GO Bond C Library	Model for Effective Teacher Mentoring	Technology Equity	School Improvement Framework	Suicide Prevention
\$ 32,881	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	49	12,262	79,522	395	34,869
-	-	-	-	-	-
-	-	-	-	-	646
-	-	-	-	-	-
<u>\$ 32,881</u>	<u>\$ 49</u>	<u>\$ 12,262</u>	<u>\$ 79,522</u>	<u>\$ 395</u>	<u>\$ 35,515</u>
\$ 2,927	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	49	12,262	79,522	395	35,515
29,954	-	-	-	-	-
<u>32,881</u>	<u>49</u>	<u>12,262</u>	<u>79,522</u>	<u>395</u>	<u>35,515</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 32,881</u>	<u>\$ 49</u>	<u>\$ 12,262</u>	<u>\$ 79,522</u>	<u>\$ 395</u>	<u>\$ 35,515</u>

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2009**

	Special Revenue Funds		
	School Based Health Clinic	Title I	English Language Acquisition
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ 19,786	\$ 2,250	\$ -
Accounts receivable:			
Taxes	-	-	-
Due from other governments	-	183,258	-
Due from other funds	-	-	-
Prepaid expenses	-	13,991	-
Inventory	-	-	-
	<u>\$ 19,786</u>	<u>\$ 199,499</u>	<u>\$ -</u>
<i>Total assets</i>	<u>\$ 19,786</u>	<u>\$ 199,499</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Due to other funds	-	197,249	-
Deferred revenue	19,786	2,250	-
	<u>19,786</u>	<u>199,499</u>	<u>-</u>
<i>Total liabilities</i>	<u>19,786</u>	<u>199,499</u>	<u>-</u>
<i>Fund balances:</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Undesignated, reported in:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 19,786</u>	<u>\$ 199,499</u>	<u>\$ -</u>

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

Special Revenue Funds

Family & Youth Resource Program	Breakfast for Elementary Students	Libraries 2006 Go Bonds	Schools in Need of Improvement	Microsoft Settlement	Fresh Fruits & Vegetables	Private School Share
\$ 6,100	\$ -	\$ -	\$ -	\$ 40,077	\$ 1,534	\$ -
-	-	-	-	-	-	-
10,700	-	2,401	-	-	-	7,824
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 16,800</u>	<u>\$ -</u>	<u>\$ 2,401</u>	<u>\$ -</u>	<u>\$ 40,077</u>	<u>\$ 1,534</u>	<u>\$ 7,824</u>
\$ 16,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	2,401	-	-	-	7,824
-	-	-	-	40,077	1,534	-
<u>16,800</u>	<u>-</u>	<u>2,401</u>	<u>-</u>	<u>40,077</u>	<u>1,534</u>	<u>7,824</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 16,800</u>	<u>\$ -</u>	<u>\$ 2,401</u>	<u>\$ -</u>	<u>\$ 40,077</u>	<u>\$ 1,534</u>	<u>\$ 7,824</u>

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2009**

	Special Revenue Funds		
	Discretionary IDEA B	Total Nonmajor Special Revenue Funds	Special Capital Outlay
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and cash equivalents	\$ -	\$ 983,775	\$ 29,734
Accounts receivable:			
Taxes	-	-	-
Due from other governments	44,691	894,352	-
Due from other funds	-	-	-
Prepaid expenses	-	44,775	-
Inventory	-	96,622	-
<i>Total assets</i>	<u>\$ 44,691</u>	<u>\$ 2,019,524</u>	<u>\$ 29,734</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ -	\$ 32,724	\$ -
Due to other governments	-	-	-
Due to other funds	44,691	912,159	-
Deferred revenue	-	383,334	-
<i>Total liabilities</i>	<u>44,691</u>	<u>1,328,217</u>	<u>-</u>
<i>Fund balances:</i>			
Reserved:			
Reserved for inventory	-	\$ 96,622	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special revenue funds	-	459,545	-
Capital project funds	-	-	-
Undesignated, reported in:			
Special revenue funds	-	135,140	-
Capital project funds	-	-	29,734
<i>Total fund balances</i>	<u>-</u>	<u>691,307</u>	<u>29,734</u>
<i>Total liabilities and fund balances</i>	<u>\$ 44,691</u>	<u>\$ 2,019,524</u>	<u>\$ 29,734</u>

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



Capital Outlay Funds

Public Schools Capital Outlay	Energy Efficiency Act	Total Nonmajor Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 29,734	\$ 1,998,331	\$ 3,011,840
-	-	-	113,165	113,165
-	-	-	-	894,352
-	-	-	-	-
-	-	-	-	44,775
-	-	-	-	96,622
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,734</u>	<u>\$ 2,111,496</u>	<u>\$ 4,160,754</u>
\$ -	\$ -	\$ -	\$ -	\$ 32,724
-	-	-	-	-
-	-	-	-	912,159
-	-	-	7,501	390,835
-	-	-	7,501	1,335,718
-	-	-	-	96,622
-	-	-	2,103,995	2,103,995
-	-	-	-	459,545
-	-	-	-	-
-	-	-	-	135,140
-	-	29,734	-	29,734
-	-	29,734	2,103,995	2,825,036
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,734</u>	<u>\$ 2,111,496</u>	<u>\$ 4,160,754</u>

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2009**

	Special Revenue Funds		
	Cafeteria	Athletics	Need Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment income	1,344	426	-
Food services	1,060,917	-	-
District activities	-	316,862	-
Revenue from local sources	169,541	281	882
Revenue from state sources	-	-	-
Revenue from federal sources	2,150,706	-	-
<i>Total revenues</i>	3,382,508	317,569	882
<b>EXPENDITURES</b>			
Current:			
Instruction	-	326,884	882
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Operation of non instructional services			
Food services operation	3,444,055	-	-
Community service	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
<i>Total expenditures</i>	3,444,055	326,884	882
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(61,547)	(9,315)	-
<i>Other financing sources(uses):</i>			
Increase (decrease) in inventory	39,550	-	-
<i>Net changes in fund balance</i>	(21,997)	(9,315)	-
<i>Fund balances--beginning of the year</i>	435,627	286,992	-
<i>Fund balances--end of the year</i>	\$ 413,630	\$ 277,677	\$ -

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

Special Revenue Funds

IDEA-B Preschool	IDEA-B Entitlement	NM Partnership in Character Education	Technology Literacy	Library Books	Teacher / Principal Training & Recruiting	Safe and Drug Free Schools
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30,245	1,426,142	-	-	-	401,170	20,477
<u>30,245</u>	<u>1,426,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,170</u>	<u>20,477</u>
17,624	1,157,381	-	-	-	365,922	346
11,331	146,687	-	-	-	25,000	19,564
540	88,533	-	-	-	-	-
689	32,594	-	-	-	10,198	567
-	569	-	-	-	50	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
61	378	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,245</u>	<u>1,426,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,170</u>	<u>20,477</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2009**

	Special Revenue Funds		
	New Mexico Energy	Carl Perkins Vocational Ed	Title XIX Medicaid
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Revenue from local sources	-	-	-
Revenue from state sources	2,064	-	-
Revenue from federal sources	-	92,560	127,686
<i>Total revenues</i>	2,064	92,560	127,686
<b>EXPENDITURES</b>			
Current:			
Instruction	2,064	86,968	-
Support services			
Students	-	2,411	124,163
Instruction	-	-	-
General administration	-	2,115	2,963
School administration	-	1,066	-
Central services	-	-	560
Operation and maintenance of plant	-	-	-
Operation of non instructional services			
Food services operaiton	-	-	-
Community service	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
<i>Total expenditures</i>	2,064	92,560	127,686
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-
<i>Other financing sources(uses):</i>			
Increase (decrease) in inventory	-	-	-
<i>Net changes in fund balance</i>	-	-	-
<i>Fund balances--beginning of the year</i>	-	-	-
<i>Fund balances--end of the year</i>	\$ -	\$ -	\$ -

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

Special Revenue Funds

Technology in Education	GO Bond C Library	Model for Effective Teacher Mentoring	Technology Equity	School Improvement Framework	Suicide Prevention
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
106,539	-	10,025	87,128	48,822	58,582
-	-	-	-	-	-
<u>106,539</u>	<u>-</u>	<u>10,025</u>	<u>87,128</u>	<u>48,822</u>	<u>58,582</u>
5,563	-	9,024	-	48,822	-
-	-	1,001	-	-	58,582
100,976	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	87,128	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>106,539</u>	<u>-</u>	<u>10,025</u>	<u>87,128</u>	<u>48,822</u>	<u>58,582</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2009**

	Special Revenue Funds		
	School Based Health Clinic	Title I	English Language Acquisition
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Revenue from local sources	45,264	-	-
Revenue from state sources	-	-	-
Revenue from federal sources	-	1,411,309	-
<i>Total revenues</i>	45,264	1,411,309	-
<b>EXPENDITURES</b>			
Current:			
Instruction	-	1,127,811	-
Support services			
Students	68,042	187,231	-
Instruction	-	61,211	-
General administration	-	34,231	-
School administration	-	825	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Operation of non instructional services			
Food services operation	-	-	-
Community service	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
<i>Total expenditures</i>	68,042	1,411,309	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(22,778)	-	-
<i>Other financing sources(uses):</i>			
Increases (decreases)in inventory	-	-	-
<i>Net changes in fund balance</i>	(22,778)	-	-
<i>Fund balances--beginning of the year</i>	22,778	-	-
<i>Fund balances--end of the year</i>	\$ -	\$ -	\$ -

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

Special Revenue Funds

Family & Youth Resource Program	Breakfast for Elementary Students	Libraries 2006 Go Bonds	Schools in Need of Improvement	Microsoft Settlement	Fresh Fruits & Vegetables	Private School Share
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,000	4,929	2,308	68,100	106,828	-	-
-	-	-	-	-	18,129	7,824
<u>45,000</u>	<u>4,929</u>	<u>2,308</u>	<u>68,100</u>	<u>106,828</u>	<u>18,129</u>	<u>7,824</u>
45,000	-	-	68,100	-	-	-
-	-	-	-	-	-	7,645
-	-	2,308	-	106,828	-	-
-	-	-	-	-	-	179
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,929	-	-	-	18,129	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>45,000</u>	<u>4,929</u>	<u>2,308</u>	<u>68,100</u>	<u>106,828</u>	<u>18,129</u>	<u>7,824</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2009**

	Special Revenue Funds		
	Discretionary IDEA B	Total Nonmajor Special Revenue Funds	Special Capital Outlay
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Investment income	-	1,770	-
Food services	-	1,060,917	-
District activities	-	316,862	-
Revenue from local sources	-	322,796	-
Revenue from state sources	-	433,497	848,498
Revenue from federal sources	44,691	5,730,939	-
<i>Total revenues</i>	44,691	7,866,781	848,498
<b>EXPENDITURES</b>			
Current:			
Instruction	19,160	3,281,551	-
Support services			
Students	24,509	676,166	-
Instruction	-	360,396	-
General administration	1,022	84,558	-
School administration	-	2,510	-
Central services	-	560	-
Operation and maintenance of plant	-	87,128	-
Operation of non instructional services			
Food services operaiton	-	3,467,113	-
Community service	-	439	-
Capital outlay	-	-	788,457
Debt service	-	-	-
<i>Total expenditures</i>	44,691	7,960,421	788,457
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(93,640)	60,041
<i>Other financing sources(uses):</i>			
Increase (decrease) in inventory	-	39,550	-
<i>Net changes in fund balance</i>	-	(54,090)	60,041
<i>Fund balances--beginning of the year</i>	-	745,397	(30,307)
<i>Restatement</i>	-	-	-
<i>Fund balance--as restated</i>	-	745,397	(30,307)
<i>Fund balances--end of the year</i>	\$ -	\$ 691,307	\$ 29,734

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



Capital Outlay Funds

Public Schools Capital Outlay	Energy Efficiency Act	Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,923,207	\$ 1,923,207
-	-	-	3,724	5,494
-	-	-	-	1,060,917
-	-	-	-	316,862
-	-	-	-	322,796
-	-	848,498	-	1,281,995
-	-	-	-	5,730,939
-	-	848,498	1,926,931	10,642,210
-	-	-	-	\$ 3,281,551
-	-	-	-	676,166
-	-	-	-	360,396
-	-	-	8,982	93,540
-	-	-	-	2,510
-	-	-	-	560
-	-	-	-	87,128
-	-	-	-	3,467,113
-	-	-	-	439
12,701	-	801,158	-	801,158
-	-	-	2,192,300	2,192,300
12,701	-	801,158	2,201,282	10,962,861
(12,701)	-	47,340	(274,351)	(320,651)
-	-	-	-	39,550
(12,701)	-	47,340	(274,351)	(281,101)
12,701	21,599	3,993	2,342,846	3,092,236
-	(21,599)	(21,599)	35,500	13,901
12,701	-	(17,606)	2,378,346	3,106,137
\$ -	\$ -	\$ 29,734	\$ 2,103,995	\$ 2,825,036

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Cafeteria Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 1,000	\$ 1,344	\$ 344
District activities	1,094,364	1,094,364	1,060,917	(33,447)
Revenues from federal sources	2,315,800	2,315,800	2,215,441	(100,359)
Revenue from local sources	151,000	151,000	169,541	18,541
<i>Total revenues</i>	<u>3,562,164</u>	<u>3,562,164</u>	<u>3,447,243</u>	<u>(114,921)</u>
<b>EXPENDITURES</b>				
Operation of non-instructional services:				
Food services	3,614,893	3,875,984	3,445,212	430,772
<i>Total expenditures</i>	<u>3,614,893</u>	<u>3,875,984</u>	<u>3,445,212</u>	<u>430,772</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,729)</u>	<u>(313,820)</u>	<u>2,031</u>	<u>315,851</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	52,729	313,820	-	(313,820)
<i>Total other financing sources (uses)</i>	<u>52,729</u>	<u>313,820</u>	<u>-</u>	<u>(313,820)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	2,031	2,031
<i>Prior year cash balance</i>	-	-	378,555	378,555
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,586</u>	<u>\$ 380,586</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accrued payroll			(9,745)	
Accounts receivable			(64,735)	
Prepays			13,356	
Accounts payable			(2,454)	
Inventory			39,550	
Net change in fund balance (GAAP basis)			<u>\$ (21,997)</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Athletics Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment Income	\$ 1,000	\$ 1,000	\$ 426	\$ (574)
District activities	15,000	15,000	281	(14,719)
Revenue from local sources	180,200	180,200	316,862	136,662
<i>Total revenues</i>	196,200	196,200	317,569	121,369
<b>EXPENDITURES</b>				
Instruction	289,668	482,820	326,787	156,033
<i>Total expenditures</i>	289,668	482,820	326,787	156,033
<i>Excess (deficiency) of revenues over expenditures</i>	(93,468)	(286,620)	(9,218)	277,402
<i>Other financing sources (uses):</i>				
Designated cash balance	93,468	286,620	-	(286,620)
<i>Total other financing sources (uses)</i>	93,468	286,620	-	(286,620)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(9,218)	(9,218)
<i>Prior year cash balance</i>	-	-	286,992	286,992
<i>End of year cash balance</i>	\$ -	\$ -	\$ 277,774	\$ 277,774
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts payable			(97)	
Net change in fund balance (GAAP basis)			\$ (9,315)	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Need Grant Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from local sources	\$ -	\$ 5,000	\$ 5,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	-	5,000	882	4,118
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>882</u>	<u>4,118</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,118</u>	<u>4,118</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,118</u>	<u>4,118</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,118</u>	<u>\$ 4,118</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(4,118)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**IDEA-B-Preschool Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 47,333	\$ 39,054	\$ 43,896	\$ 4,842
<i>Total revenues</i>	47,333	39,054	43,896	4,842
<b>EXPENDITURES</b>				
Instruction	29,408	23,669	17,666	6,003
Support services:				
Students	15,488	13,796	11,228	2,568
Instruction	700	700	540	160
General administration	1,079	889	689	200
<i>Total expenditures</i>	46,675	39,054	30,123	8,931
<i>Excess (deficiency) of revenues over expenditures</i>	658	-	13,773	13,773
<i>Other financing sources (uses):</i>				
Designated cash balance	(658)	-	-	-
<i>Total other financing sources (uses)</i>	(658)	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	13,773	13,773
<i>Prior year cash balance</i>	-	-	(1,343)	(1,343)
<i>End of year cash balance</i>	\$ -	\$ -	\$ 12,430	\$ 12,430

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable	(5,738)
Deferred revenue	(7,913)
Prepays	14
Accounts payable	(136)
Net change in fund balance (GAAP basis)	\$ -

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**IDEA-B Entitlement Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 1,372,153	\$ 1,585,312	\$ 1,182,962	\$ (402,350)
Revenue from local sources	4,770	4,770	-	(4,770)
<i>Total revenues</i>	<u>1,376,923</u>	<u>1,590,082</u>	<u>1,182,962</u>	<u>(407,120)</u>
<b>EXPENDITURES</b>				
Insruction	1,150,388	1,286,046	1,157,827	128,219
Support services:				
Students	97,287	174,701	146,534	28,167
Instruction	92,874	92,874	88,554	4,320
School administration	31,604	36,461	32,594	3,867
<i>Total expenditures</i>	<u>1,372,153</u>	<u>1,590,082</u>	<u>1,425,509</u>	<u>164,573</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,770</u>	<u>-</u>	<u>(242,547)</u>	<u>(242,547)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	(4,770)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(4,770)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(242,547)	(242,547)
<i>Prior year cash balance</i>	-	-	(226,334)	(226,334)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (468,881)</u>	<u>\$ (468,881)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			243,180	
Prepays			(184)	
Accounts payable			(449)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**NM Partnership in Character Education Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ 14,890	\$ 14,890
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>14,890</u>	<u>14,890</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>14,890</u>	<u>14,890</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>14,890</u>	<u>14,890</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(9,587)</u>	<u>(9,587)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,303</u>	<u>\$ 5,303</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(14,890)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
Technology Literacy Special Revenue Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ 53	\$ 53
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(9,462)</u>	<u>(9,462)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,409)</u>	<u>\$ (9,409)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			<u>(53)</u>	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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



STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
Library Books Special Revenue Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ -	\$ 17,921	\$ 17,921	\$ -
<i>Total revenues</i>	<u>-</u>	<u>17,921</u>	<u>17,921</u>	<u>-</u>
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	17,921	-	17,921
<i>Total expenditures</i>	<u>-</u>	<u>17,921</u>	<u>-</u>	<u>17,921</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>17,921</u>	<u>17,921</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>17,921</u>	<u>17,921</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,921</u>	<u>\$ 17,921</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(17,921)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Teacher/Principal Training and Recruiting Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 400,167	\$ 400,167	\$ 390,349	\$ (9,818)
<i>Total revenues</i>	400,167	400,167	390,349	(9,818)
<b>EXPENDITURES</b>				
Instruction	425,068	425,068	367,012	58,056
Support services:				
Students	29,500	29,500	25,000	4,500
Instruction	4,500	4,500	-	4,500
General administration	16,599	16,599	10,198	6,401
School administration	4,500	4,500	50	4,450
<i>Total expenditures</i>	480,167	480,167	402,260	77,907
<i>Excess (deficiency) of revenues over expenditures</i>	(80,000)	(80,000)	(11,911)	68,089
<i>Other financing sources (uses):</i>				
Designated cash balance	80,000	80,000	-	(80,000)
<i>Total other financing sources (uses)</i>	80,000	80,000	-	(80,000)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(11,911)	(11,911)
<i>Prior year cash balance</i>	-	-	(25,783)	(25,783)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (37,694)	\$ (37,694)

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable	10,821
Prepays	(77)
Accounts payable	1,167
Net change in fund balance (GAAP basis)	\$ -

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Safe and Drug Free Schools Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 26,147	\$ 26,062	\$ 29,089	\$ 3,027
<i>Total revenues</i>	<u>26,147</u>	<u>26,062</u>	<u>29,089</u>	<u>3,027</u>
<b>EXPENDITURES</b>				
Support services:				
Students	27,403	27,318	19,875	7,443
General administration	744	744	567	177
<i>Total expenditures</i>	<u>28,147</u>	<u>28,062</u>	<u>20,442</u>	<u>7,620</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,000)</u>	<u>(2,000)</u>	<u>8,647</u>	<u>10,647</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	2,000	2,000	-	(2,000)
<i>Total other financing sources (uses)</i>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	8,647	8,647
<i>Prior year cash balance</i>	-	-	(4,532)	(4,532)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,115</u>	<u>\$ 4,115</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(8,612)	
Prepays			(35)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**New Mexico Energy Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ -	\$ 2,358	\$ 2,204	\$ (154)
<i>Total revenues</i>	<i>-</i>	<i>2,358</i>	<i>2,204</i>	<i>(154)</i>
<b>EXPENDITURES</b>				
Instruction	-	2,358	2,064	294
<i>Total expenditures</i>	<i>-</i>	<i>2,358</i>	<i>2,064</i>	<i>294</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>-</i>	<i>-</i>	<i>140</i>	<i>140</i>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<i>-</i>	<i>-</i>	<i>140</i>	<i>140</i>
<i>Prior year cash balance</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>End of year cash balance</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 140</i>	<i>\$ 140</i>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(140)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Carl Perkins Vocational Ed Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 95,829	\$ 94,184	\$ (1,645)
<i>Total revenues</i>	<u>-</u>	<u>95,829</u>	<u>94,184</u>	<u>(1,645)</u>
<b>EXPENDITURES</b>				
Instruction	-	89,912	86,968	2,944
Support services:				
Students	-	2,416	2,411	5
School administration	-	1,310	1,066	244
General administration	-	2,191	2,115	76
<i>Total expenditures</i>	<u>-</u>	<u>95,829</u>	<u>92,560</u>	<u>3,269</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,624</u>	<u>1,624</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,624</u>	<u>1,624</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(38,035)</u>	<u>(38,035)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,411)</u>	<u>\$ (36,411)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(1,624)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Title XIX Medicaid Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 150,000	\$ 234,013	\$ 302,496	\$ 68,483
<i>Total revenues</i>	<u>150,000</u>	<u>234,013</u>	<u>302,496</u>	<u>68,483</u>
<b>EXPENDITURES</b>				
Support services:				
Students	146,070	313,414	126,057	187,357
General administration	3,930	3,930	2,963	967
Central	-	1,500	560	940
<i>Total expenditures</i>	<u>150,000</u>	<u>318,844</u>	<u>129,580</u>	<u>189,264</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(84,831)</u>	<u>172,916</u>	<u>257,747</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	84,831	-	(84,831)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>84,831</u>	<u>-</u>	<u>(84,831)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>172,916</u>	<u>172,916</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>161,941</u>	<u>161,941</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,857</u>	<u>\$ 334,857</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(174,810)	
Prepays			1,894	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Technology in Education Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 136,495	\$ 106,766	\$ (29,729)
<i>Total revenues</i>	<u>-</u>	<u>136,495</u>	<u>106,766</u>	<u>(29,729)</u>
<b>EXPENDITURES</b>				
Instruction	-	16,450	2,636	13,814
Support services:				
Instruction	-	120,045	100,976	19,069
<i>Total expenditures</i>	<u>-</u>	<u>136,495</u>	<u>103,612</u>	<u>32,883</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,154</u>	<u>3,154</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,154</u>	<u>3,154</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>169</u>	<u>169</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,323</u>	<u>\$ 3,323</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(227)	
Accounts payable			(2,927)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**GO Bond C Library Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(49)	(49)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (49)	\$ (49)

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



**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Model for Effective Teacher Mentoring Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 10,031	\$ 10,031	\$ -
<i>Total revenues</i>	<u>-</u>	<u>10,031</u>	<u>10,031</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	-	9,028	9,024	4
Support services:				
Students	-	1,003	1,001	2
<i>Total expenditures</i>	<u>-</u>	<u>10,031</u>	<u>10,025</u>	<u>6</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(14,352)</u>	<u>(14,352)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,346)</u>	<u>\$ (14,346)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(6)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Technology Equity Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 90,169	\$ 398,743	\$ 308,574
<i>Total revenues</i>	<u>-</u>	<u>90,169</u>	<u>398,743</u>	<u>308,574</u>
<b>EXPENDITURES</b>				
Support services				
Operating & maintenance of plant	90,169	90,169	87,128	3,041
<i>Total expenditures</i>	<u>90,169</u>	<u>90,169</u>	<u>87,128</u>	<u>3,041</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(90,169)</u>	<u>-</u>	<u>311,615</u>	<u>311,615</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	90,169	-	-	-
<i>Total other financing sources (uses)</i>	<u>90,169</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>311,615</u>	<u>311,615</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,615</u>	<u>\$ 311,615</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(311,615)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**School Improvement Framework Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 50,000	\$ 48,822	\$ (1,178)
<i>Total revenues</i>	-	50,000	48,822	(1,178)
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	50,000	48,822	1,178
<i>Total expenditures</i>	-	50,000	48,822	1,178
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Suicide Prevention Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 60,586	\$ 23,127	\$ (37,459)
<i>Total revenues</i>	<u>-</u>	<u>60,586</u>	<u>23,127</u>	<u>(37,459)</u>
<b>EXPENDITURES</b>				
Support services:				
Students	-	60,586	59,228	1,358
<i>Total expenditures</i>	<u>-</u>	<u>60,586</u>	<u>59,228</u>	<u>1,358</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(36,101)</u>	<u>(36,101)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(36,101)</u>	<u>(36,101)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>1,639</u>	<u>1,639</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,462)</u>	<u>\$ (34,462)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Prepays			646	
Accounts receivable			35,455	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**School Based Health Clinic Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 85,000	\$ -	\$ (85,000)
Other revenue from local sources	-	-	76,206	76,206
<i>Total revenues</i>	-	85,000	76,206	(8,794)
<b>EXPENDITURES</b>				
Support services:				
Students	-	104,786	76,206	28,580
<i>Total expenditures</i>	-	104,786	76,206	28,580
<i>Excess (deficiency) of revenues over expenditures</i>	-	(19,786)	-	19,786
<i>Other financing sources (uses):</i>				
Designated cash balance	-	19,786	-	(19,786)
<i>Total other financing sources (uses)</i>	-	19,786	-	(19,786)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	57,564	57,564
<i>End of year cash balance</i>	\$ -	\$ -	\$ 57,564	\$ 57,564
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Prepays			8,164	
Accounts receivable			(30,942)	
Net change in fund balance (GAAP basis)			\$ (22,778)	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Title I Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 1,482,283	\$ 1,457,825	\$ 1,684,189	\$ 226,364
<i>Total revenues</i>	<u>1,482,283</u>	<u>1,457,825</u>	<u>1,684,189</u>	<u>226,364</u>
<b>EXPENDITURES</b>				
Instruction	1,311,879	1,311,879	1,125,940	185,939
Support services:				
Students	207,621	207,621	187,504	20,117
Instruction	85,897	87,860	61,106	26,754
General administration	45,465	45,465	34,231	11,234
School administration	5,000	5,000	825	4,175
<i>Total expenditures</i>	<u>1,655,862</u>	<u>1,657,825</u>	<u>1,409,606</u>	<u>248,219</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(173,579)</u>	<u>(200,000)</u>	<u>274,583</u>	<u>474,583</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	173,579	200,000	-	(200,000)
<i>Total other financing sources (uses)</i>	<u>173,579</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
<i>Excess (deficiency) of revenues and other sources(uses) over expenditures</i>	-	-	274,583	274,583
<i>Prior year cash balance</i>	-	-	(279,438)	(279,438)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,855)</u>	<u>\$ (4,855)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Prepays			(1,702)	
Accounts receivable			(272,881)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**English Language Acquisition Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ 13,058	\$ 13,058
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>13,058</u>	<u>13,058</u>
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	-	-	-
Students	-	-	-	-
General administration	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,058</u>	<u>13,058</u>
<i>Other financing sources (uses):</i>				
Designated cash balance		-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,058</u>	<u>13,058</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,058</u>	<u>\$ 13,058</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(13,058)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Family & Youth Resource Program Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 45,000	\$ 79,300	\$ 34,300
<i>Total revenues</i>	-	45,000	79,300	34,300
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	45,000	45,000	-
<i>Total expenditures</i>	-	45,000	45,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	34,300	34,300
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	34,300	34,300
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ 34,300	\$ 34,300
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(34,300)	
Net change in fund balance (GAAP basis)			\$ -	

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



**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Breakfast for Elementary Students Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 4,930	\$ 4,929	\$ (1)
<i>Total revenues</i>	-	4,930	4,929	(1)
<b>EXPENDITURES</b>				
Food services	-	4,930	4,929	1
<i>Total expenditures</i>	-	4,930	4,929	1
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Libraries 2006 GO Bonds Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 2,309	\$ 6,295	\$ 3,986
<i>Total revenues</i>	<u>-</u>	<u>2,309</u>	<u>6,295</u>	<u>3,986</u>
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	2,309	2,308	1
<i>Total expenditures</i>	<u>-</u>	<u>2,309</u>	<u>2,308</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,987</u>	<u>3,987</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,987</u>	<u>3,987</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(49)</u>	<u>(49)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,938</u>	<u>\$ 3,938</u>

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable	(3,987)
Net change in fund balance (GAAP basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Schools in Need of Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 70,000	\$ 68,100	\$ (1,900)
<i>Total revenues</i>	-	70,000	68,100	(1,900)
<b>EXPENDITURES</b>				
Instruction	-	70,000	68,100	1,900
<i>Total expenditures</i>	-	70,000	68,100	1,900
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Microsoft Settlement Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from local sources	\$ -	\$ 152,770	\$ 146,905	\$ (5,865)
<i>Total revenues</i>	<u>-</u>	<u>152,770</u>	<u>146,905</u>	<u>(5,865)</u>
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	152,770	106,828	45,942
<i>Total expenditures</i>	<u>-</u>	<u>152,770</u>	<u>106,828</u>	<u>45,942</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>40,077</u>	<u>40,077</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>40,077</u>	<u>40,077</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,077</u>	<u>\$ 40,077</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(40,077)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Fresh Fruits & Vegetables Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 18,129	\$ 19,663	\$ 1,534
<i>Total revenues</i>	-	18,129	19,663	1,534
<b>EXPENDITURES</b>				
Food services	-	18,129	18,129	-
<i>Total expenditures</i>	-	18,129	18,129	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,534	1,534
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	1,534	1,534
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1,534	\$ 1,534
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(1,534)	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Private School Share Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 10,030	\$ 11,667	\$ -	\$ (11,667)
<i>Total revenues</i>	<u>10,030</u>	<u>11,667</u>	<u>-</u>	<u>(11,667)</u>
<b>EXPENDITURES</b>				
Instruction	10,030	456	-	456
Support services:				
Students	-	10,944	7,645	3,299
General administration	-	267	179	88
<i>Total expenditures</i>	<u>10,030</u>	<u>11,667</u>	<u>7,824</u>	<u>3,843</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,824)</u>	<u>(7,824)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,824)</u>	<u>(7,824)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,824)</u>	<u>\$ (7,824)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			7,824	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Discretionary IDEA-B Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 49,957	\$ -	\$ (49,957)
<i>Total revenues</i>	<u>-</u>	<u>49,957</u>	<u>-</u>	<u>(49,957)</u>
<b>EXPENDITURES</b>				
Insruction	-	23,226	19,160	4,066
Support services:				
Students	-	25,562	24,509	1,053
General administration	-	1,169	1,022	147
<i>Total expenditures</i>	<u>-</u>	<u>49,957</u>	<u>44,691</u>	<u>5,266</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,691)</u>	<u>(44,691)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance		-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,691)</u>	<u>(44,691)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,691)</u>	<u>\$ (44,691)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			44,691	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
Special Capital Outlay State Capital Project Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Revenue from state sources	777,235	777,235	848,498	71,263
<i>Total revenues</i>	<u>778,235</u>	<u>778,235</u>	<u>848,498</u>	<u>70,263</u>
<b>EXPENDITURES</b>				
Capital outlay	778,235	1,002,611	788,457	214,154
<i>Total expenditures</i>	<u>778,235</u>	<u>1,002,611</u>	<u>788,457</u>	<u>214,154</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(224,376)</u>	<u>60,041</u>	<u>284,417</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	224,376	-	(224,376)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>224,376</u>	<u>-</u>	<u>(224,376)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>60,041</u>	<u>60,041</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>328,254</u>	<u>328,254</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388,295</u>	<u>\$ 388,295</u>

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



STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Public Schools Capital Outlay Capital Project Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Capital outlay	-	12,701	12,701	-
<i>Total expenditures</i>	-	12,701	12,701	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(12,701)	(12,701)	-
<i>Other financing sources (uses):</i>				
Designated cash balance		12,701	-	(12,701)
<i>Total other financing sources (uses)</i>	-	12,701	-	(12,701)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(12,701)	(12,701)
<i>Prior year cash balance</i>	-	-	23,373	23,373
<i>End of year cash balance</i>	\$ -	\$ -	\$ 10,672	\$ 10,672

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Energy Efficiency Act Capital Outlay Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Capital outlay			-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance			-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Debt Service Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,352,499	\$ 2,352,499	\$ 2,025,812	\$ (326,687)
Investment income	20,000	20,000	3,724	(16,276)
<i>Total revenues</i>	2,372,499	2,372,499	2,029,536	(342,963)
<b>EXPENDITURES</b>				
Support services:				
General administration	7,058	12,058	8,982	3,076
Debt service	4,385,320	4,495,018	2,192,300	2,302,718
<i>Total expenditures</i>	4,392,378	4,507,076	2,201,282	2,305,794
<i>Excess (deficiency) of revenues over expenditures</i>	(2,019,879)	(2,134,577)	(171,746)	1,962,831
<i>Other financing sources (uses):</i>				
Designated cash balance	2,019,879	2,134,577	-	(2,134,577)
<i>Total other financing sources (uses)</i>	2,019,879	2,134,577	-	(2,134,577)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(171,746)	(171,746)
<i>Prior year cash balance</i>	-	-	2,556,898	2,556,898
<i>End of year cash balance</i>	\$ -	\$ -	\$ 2,385,152	\$ 2,385,152
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(102,605)	
Net change in fund balance (GAAP basis)			\$ (274,351)	

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

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**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Fiduciary Funds  
June 30, 2009**

**AGENCY FUNDS**

Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Carlsbad Municipal School District No. 20 has two separate funds classified as Agency Funds as follows:

**Student Activity** – To account for Elementary, Junior High, and Senior High assets held by the District until distributed to various organizations and clubs at the schools.

**Other Funds** – To account for assets held by the District until distributed to the other organizations.

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Elementary Schools:				
Early childhood	\$ 12,064	\$ 20,994	\$ 19,638	\$ 13,420
Craft	6,077	14,916	9,193	11,800
Eddy	3,392	14,629	10,993	7,028
Hillcrest	10,132	16,217	15,012	11,337
Monterrey	2,775	26,553	19,871	9,457
Pate	5,329	12,831	14,792	3,368
Puckett	7,102	25,152	17,530	14,724
Riverside	8,050	12,388	10,153	10,285
E.M. Smith	6,269	1,622	1,430	6,461
Joe Stanley Smith	2,850	24,320	18,181	8,989
Sunset	9,375	14,992	16,884	7,483
Total Elementary Schools	<u>73,415</u>	<u>184,614</u>	<u>153,677</u>	<u>104,352</u>
Alta Vista Middle School				
Principal's account	6,857	6,166	10,417	2,606
Art	907	1,112	481	1,538
Drafting	457	111	93	475
Home economics	1,592	1,223	1,170	1,645
Liabrary	3,389	4,303	5,052	2,640
Computer club	19	-	19	-
Photo journalism	319	-	319	-
Science	141	-	141	-
Gifted	984	47	447	584
Trades	265	1,287	1,360	192
Band	483	7,946	8,429	-
Yearbook	-	7,684	7,684	-
Chorus	1,941	3,410	4,405	946
Power & energy	610	585	701	494
Honor society	915	4,972	4,878	1,009
Renaissance	146	1,848	1,478	516
Student council	1,940	2,136	1,996	2,080
Spanish club	8	-	8	-
Cheerleaders	-	2,634	939	1,695
Student store	197	497	145	549
Athletic office	398	2,534	2,362	570
MESA	-	9,485	6,274	3,211
Total Alta Vista Middle School	<u>21,568</u>	<u>57,980</u>	<u>58,798</u>	<u>20,750</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
P.R. Leyva Middle School				
Principal's account	\$ 26,975	\$ 36,326	\$ 40,369	\$ 22,932
Art	755	1,643	1,963	435
Drafting	193	-	177	16
Home economics	4,385	1,047	1,943	3,489
Library	2,986	2,829	2,007	3,808
Computer club	48	-	48	-
English expo	18,535	-	18,535	-
Greenhouse	2,393	4	496	1,901
Gifted	81	2,867	2,290	658
Trades	3,235	1,322	1,742	2,815
Band	612	15,227	11,732	4,107
Yearbook	-	31,017	14,703	16,314
FHA	507	-	507	-
Chorus	3,851	10,904	9,811	4,944
Power & energy	1,870	580	-	2,450
BPA	10	-	10	-
Typing	119	-	119	-
Honor society	680	801	1,249	232
Renaissance	7	1,742	502	1,247
Student council	3,226	4,073	4,559	2,740
Spanish club	192	-	192	-
Cheerleaders	2	1,828	1,817	13
Student store	2,627	2,682	1,957	3,352
Physical education	23	-	23	-
Athletic office	416	-	-	416
MESA	581	8,053	4,182	4,452
Social studies	399	-	399	-
Total P.R. Leyva Middle School	74,708	122,945	121,332	76,321
Total Middle Schools	96,276	180,925	180,130	97,071
Senior High School:				
Principal's account	19,815	16,406	19,054	17,167
Odyssey of the mind	285	1	-	286
Art	301	1,520	1,314	507
Crafts	382	1,777	1,510	649
Drafting	1,527	3,058	3,305	1,280

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Senior High School (continued)				
Home economics	\$ 670	\$ 4,457	\$ 4,499	\$ 628
Concessions	26,219	-	9,415	16,804
Library	251	304	337	218
English expo	379	4,427	3,193	1,613
Science	9,443	10,495	5,340	14,598
Printing	712	45	363	394
Computer club	-	322	-	322
Gifted	404	1	-	405
Trades	674	1,460	1,299	835
Art club	86	-	17	69
Band	790	302	-	1,092
Echo	26,527	59,775	75,778	10,524
French club	327	416	324	419
Business	245	1,679	493	1,431
FHA	-	6,688	4,392	2,296
Chorus	2,636	12,311	12,247	2,700
FFA	1,552	58,339	54,236	5,655
BPA	7,157	10,406	12,685	4,878
Computers	984	1,899	1,386	1,497
DECA	966	2	160	808
Web development club	-	300	298	2
CRT	91	8,649	8,740	-
VICA	4,595	10,946	13,288	2,253
Auto technology	1,043	2,891	1,747	2,187
Honor society	1,215	2,299	1,486	2,028
Chronicle	-	1,118	923	195
Tennis club	162	1	-	163
Renaissance	65	651	438	278
Student council	5,469	25,431	22,766	8,134
Spanish club	450	4	-	454
Football	7,283	2,192	3,779	5,696
Welding	366	1,158	61	1,463
Wrestling	31	-	-	31
Crime stoppers	1,335	3	-	1,338
Natatorium	20,185	40,834	45,350	15,669
F.H.S.S.	254	1	-	255
Mummers	8,853	7,778	9,075	7,556
Athletic office	14,586	11,121	18,878	6,829

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



**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
Senior High School (continued)				
MESA	\$ 506	\$ 2,172	\$ 1,887	\$ 791
Girls track	126	180	190	116
Telecommunication	62	10	-	72
Key Club	312	1	-	313
Boys basketball	73	1,005	1,075	3
Girls basketball	37	-	-	37
Softball	60	8,487	8,308	239
Pre-Voc special education	392	1,970	1,701	661
Rodeo club	486	1	-	487
Chemistry club	2,047	3,271	2,148	3,170
Boys track	214	45	190	69
Security	5,059	6,972	3,156	8,875
Golf	153	40	-	193
Volleyball	554	1	-	555
Biology club	296	1,864	-	2,160
Craft aware	1,077	2	-	1,079
CHS dance company	16	1,396	1,300	112
Geology	322	655	845	132
Marine biology	298	48	-	346
Teen court	21	685	525	181
Jag	432	1	-	433
AP history	156	-	151	5
Choir trip	4,753	2,859	3,575	4,037
Total senior high school	185,767	343,132	363,227	165,672
Other				
CHS Phoenix program	413	528	820	121
Admin celebrations	-	305	246	59
Community service	107,887	10,540	18,944	99,483
Superintendent's activity	1,861	700	404	2,157
	110,161	12,073	20,414	101,820
	\$ 465,619	\$ 720,744	\$ 717,448	\$ 468,915

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Balance Sheet**  
**Charter School - Jefferson Montessori Academy**  
**June 30, 2009**

	General Fund		Special Revenue	
	Operational Fund	Instructional Materials	Food Services	IDEA-B
<b>ASSETS</b>				
Cash in bank	\$ 547,277	\$ 2,979	\$ -	\$ -
Accounts receivable	488	-	-	-
Due from other funds	268	3,742	-	9,561
<i>Total assets</i>	\$ 548,033	\$ 6,721	\$ -	\$ 9,561
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 96,800	\$ -	\$ -	\$ -
Due to other funds	-	-	15,260	-
Other accrued liabilities	40,695	-	-	-
Deferred revenue	-	-	-	9,561
<i>Total liabilities</i>	137,495	-	15,260	9,561
Unreserved	410,538	6,721	(15,260)	-
Total fund balance (deficit)	410,538	6,721	(15,260)	-
<i>Total liabilities and fund balances</i>	\$ 548,033	\$ 6,721	\$ -	\$ 9,561

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

Libraries Go Bonds	Special Revenue		Capital Projects		Total
	Model for Effective Teacher Mentoring	Reading Materials	Public Schools Capital Outlay		
\$ -	\$ 2,104	\$ -	\$ 26,542	\$ 578,902	
-	-	-	-	488	
-	-	-	7,553	21,124	
<u>\$ -</u>	<u>\$ 2,104</u>	<u>\$ -</u>	<u>\$ 34,095</u>	<u>\$ 600,514</u>	
\$ -	\$ -	\$ -	\$ -	\$ 96,800	
2,110	-	3,754	-	21,124	
-	-	-	-	40,695	
-	-	-	-	9,561	
<u>2,110</u>	<u>-</u>	<u>3,754</u>	<u>-</u>	<u>168,180</u>	
<u>(2,110)</u>	<u>2,104</u>	<u>(3,754)</u>	<u>34,095</u>	<u>432,334</u>	
<u>(2,110)</u>	<u>2,104</u>	<u>(3,754)</u>	<u>34,095</u>	<u>432,334</u>	
<u>\$ -</u>	<u>\$ 2,104</u>	<u>\$ -</u>	<u>\$ 34,095</u>	<u>\$ 600,514</u>	

Reconciliation of the balance sheet to the statement of  
Net assets

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

Fund balance - balance sheet \$ 432,334

Capital assets used in governmental activities are not current  
financial resources and, therefore, are not reported in this fund  
financial statement, but are reported in the governmental activities  
of the statement of net assets. 12,693

Net assets in the statement of net assets \$ 445,027

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Combining Statement of Revenues, Expenditures and Change in Fund Balance**  
**Charter School - Jefferson Montessori Academy**  
**For the Year Ended June 30, 2009**

	General Fund		Special Revenue	
	Operational Fund	Instructional Materials	Food Services	IDEA-B
<b>REVENUES</b>				
Food services	\$ -	\$ -	\$ 16,806	\$ -
Revenue from local sources	16,752	-	-	-
Revenue from state sources	1,609,009	7,567	-	-
Revenue from federal sources	-	-	-	18,632
<i>Total revenues</i>	<u>1,625,761</u>	<u>7,567</u>	<u>16,806</u>	<u>18,632</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	810,475	9,621	-	18,632
Support services:				
Students	46,733	-	-	-
Instruction	-	442	-	-
General administration	37,924	-	-	-
School administration	19,208	-	-	-
Central services	175,664	-	-	-
Operation & maint. of plant	149,803	-	-	-
Capital outlay	-	-	-	-
Food services	50,292	-	16,806	-
Total expenditures	<u>1,290,099</u>	<u>10,063</u>	<u>16,806</u>	<u>18,632</u>
Excess (deficiency) of revenues over expenditures	335,662	(2,496)	-	-
Fund balance - beginning	74,876	9,217	(15,260)	-
Fund balance - end of year	<u>\$ 410,538</u>	<u>\$ 6,721</u>	<u>\$ (15,260)</u>	<u>\$ -</u>

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

Special Revenue			Capital Projects		
Libraries Go Bonds	Model for Effective Teacher Mentoring	Reading Materials	Public Schools Capital Outlay	Total	
\$ -	\$ -	\$ -	\$ -	\$ 16,806	
-	-	-	-	16,752	
-	2,104	-	56,412	1,675,092	
-	-	-	-	18,632	
-	2,104	-	56,412	1,708,650	
-	-	-	-	838,728	
-	-	-	-	46,733	
-	-	-	-	442	
-	-	-	-	37,924	
-	-	-	-	19,208	
-	-	-	-	175,664	
-	-	-	-	149,803	
-	-	-	29,871	29,871	
-	-	-	-	67,098	
-	-	-	29,871	1,365,471	
-	2,104	-	26,541	361,811	
(2,110)	-	(3,754)	7,554	70,523	
\$ (2,110)	\$ 2,104	\$ (3,754)	\$ 34,095	\$ 432,334	

Reconciliation of the statement of revenues, expenditures, and  
Changes in fund balance to the statement of activities

Net change in fund balance - statement of revenues,

Expenditures and changes in fund balance \$ 361,811

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of thus assets is  
allocated over their estimated useful lives and reported as

Depreciation	(22,356)
Disposal of capital assets	(13,692)
Change in net assets of governmental activities.	\$ 325,763

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy - Operational Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenues from state sources	\$ 1,058,203	\$ 1,692,236	\$ 1,692,236	\$ -
Revenues from local sources	3,625	-	26,787	26,787
<i>Total revenues</i>	<u>1,061,828</u>	<u>1,692,236</u>	<u>1,719,023</u>	<u>26,787</u>
<b>EXPENDITURES</b>				
Instruction:				
Personnel services - compensation	319,069	476,440	462,140	14,300
Personnel services - employee benefits	111,556	177,381	163,421	13,960
Purchased professional & tech services	32,938	20,915	15,821	5,094
Other purchased services	1,700	14,820	8,653	6,167
Supplies	12,945	149,389	140,093	9,296
Property	-	170,050	28,774	141,276
Support services:				
Personnel services - compensation	161,819	191,799	187,459	4,340
Personnel services - employee benefits	46,383	56,784	51,133	5,651
Purchased professional & tech services	164,823	149,112	133,086	16,026
Purchased property services	89,280	179,485	94,748	84,737
Other purchased services	14,925	38,853	16,672	22,181
Supplies	5,600	26,643	18,774	7,869
Property	1,500	74,267	5,388	68,879
Debt services and miscellaneous	-	68,000	50,292	17,708
<i>Total expenditures</i>	<u>962,538</u>	<u>1,793,938</u>	<u>1,376,454</u>	<u>417,484</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>99,290</u>	<u>(101,702)</u>	<u>342,569</u>	<u>444,271</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	(99,290)	101,702	-	(101,702)
<i>Total other financing sources (uses)</i>	<u>(99,290)</u>	<u>101,702</u>	<u>-</u>	<u>(101,702)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	342,569	342,569
<i>Prior year cash balance</i>	-	-	(9,546)	(9,546)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,023</u>	<u>\$ 333,023</u>

**RECONCILIATION TO GAAP**

Adjustments:

Accounts payable	86,355
Accounts receivable	(93,262)
Net change in fund balance (GAAP basis)	<u>\$ 335,662</u>

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy - Instruction Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ 14,119	\$ 36,642	\$ 7,567	\$ (29,075)
<i>Total revenues</i>	14,119	36,642	7,567	(29,075)
<b>EXPENDITURES</b>				
Instruction	13,551	44,715	15,640	29,075
Support services:				
Instruction	568	3,421	442	2,979
<i>Total expenditures</i>	14,119	48,136	16,082	32,054
<i>Excess (deficiency) of revenues over expenditures</i>	-	(11,494)	(8,515)	2,979
<i>Other financing sources (uses):</i>				
Designated cash balance	-	11,494	-	(11,494)
<i>Total other financing sources (uses)</i>	-	11,494	-	(11,494)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(8,515)	(8,515)
<i>Prior year cash balance</i>	-	-	15,236	15,236
<i>End of year cash balance</i>	\$ -	\$ -	\$ 6,721	\$ 6,721
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts payable			6,019	
Net change in fund balance (GAAP basis)			\$ (2,496)	

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy - Food Services Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from local sources	\$ 8,965	\$ 7,000	\$ 16,806	\$ 9,806
Revenues from federal sources	29,035	35,245	-	(35,245)
<i>Total revenues</i>	<u>38,000</u>	<u>42,245</u>	<u>16,806</u>	<u>(25,439)</u>
<b>EXPENDITURES</b>				
Food services	38,000	42,245	16,806	25,439
<i>Total expenditures</i>	<u>38,000</u>	<u>42,245</u>	<u>16,806</u>	<u>25,439</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(15,260)	(15,260)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,260)</u>	<u>\$ (15,260)</u>

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



STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy - IDEA B Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from federal sources	\$ 21,614	\$ 18,632	\$ 6,151	\$ (12,481)
<i>Total revenues</i>	<u>21,614</u>	<u>18,632</u>	<u>6,151</u>	<u>(12,481)</u>
<b>EXPENDITURES</b>				
Instruction	21,614	18,632	18,632	-
<i>Total expenditures</i>	<u>21,614</u>	<u>18,632</u>	<u>18,632</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,481)</u>	<u>(12,481)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,481)</u>	<u>(12,481)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>23,140</u>	<u>23,140</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,659</u>	<u>\$ 10,659</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			12,481	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy - Library GO Bonds Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy -**  
**Model for Effective Teacher Mentoring Special Revenue Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ -	\$ -	2,104	\$ 2,104
<i>Total revenues</i>	-	-	2,104	2,104
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,104	2,104
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	2,104	2,104
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ 2,104	\$ 2,104

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

STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
Charter School - Jefferson Montessori Academy -  
Reading Materials First Special Revenue Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ 15,541	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>15,541</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	15,541	-	-	-
<i>Total expenditures</i>	<u>15,541</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**Charter School - Jefferson Montessori Academy - Public Schools Capital Outlay Capital Projects Fund**  
**For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ 63,000	\$ 29,870	\$ 56,412	\$ 26,542
<i>Total revenues</i>	<u>63,000</u>	<u>29,870</u>	<u>56,412</u>	<u>26,542</u>
<b>EXPENDITURES</b>				
Support services:				
Rental - land and building	63,000	29,870	29,870	-
<i>Total expenditures</i>	<u>63,000</u>	<u>29,870</u>	<u>29,870</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>26,542</u>	<u>26,542</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>26,542</u>	<u>26,542</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>7,554</u>	<u>7,554</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,096</u>	<u>\$ 34,096</u>

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Collateral Pledged by Depository**  
**June 30, 2009**

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2009	Name and Location of Safekeeper
Carlsbad National Bank	FFCB # 1280 Due 10/23/09	\$ 1,014,332	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FFCB # 1284 Due 01/11/10	1,023,469	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FFCB # 1281 Due 03/22/10	1,031,595	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FNMA Pool #254861 Due 08/01/10	506,632	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FNMA Pool #254862 Due 08/01/10	404,822	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FHLB AMT Note #1283 Due 12/28/12	<u>1,437,808</u>	Federal Home Loan Bank Irving, TX
		<u>5,418,658</u>	
Wells Fargo Bank	FGIOH0H00895 Due 06/01/37	822,408	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 257004 Due 10/01/37	236,097	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL #545277 Due 11/01/31	7,515	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 614123 Due 12/01/31	8,162	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 867437 Due 05/01/36	1,195,563	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 879100 Due 05/01/36	<u>771,280</u>	Wells Fargo Bank San Francisco, CA
		<u>3,041,025</u>	
Western Commerce Bank	FNMA #62942 "B" Due 07/01/27	30,339	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 254501 Due 09/01/22	359,099	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #254589 Due 01/01/23	1,181,125	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 52597 Due 07/01/27	27,876	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 70864 Due 09/01/27	37,581	Federal Home Loan Bank of Dallas - Irving, TX

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Collateral Pledged by Depository**  
**June 30, 2009**

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2009	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 77037 Due 03/01/19	12,573	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 128776 Due 02/01/31	19,549	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 758904 Due 12/01/33	282,307	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 256714 Due 04/01/27	1,477,781	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #256852 Due 08/01/27	1,548,508	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #826080 Due 07/01/35	4,206,436	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #745740 Due 07/01/36	3,268,944	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	GNMA POOL # 8306 Due 01/20/18	24,261	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	GNMA POOL # 8457 Due 07/20/24	33,990	Federal Home Loan Bank of Dallas - Irving, TX
		<u>12,510,369</u>	
		<u>\$ 20,970,052</u>	

Jefferson Montessori Academy

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2009	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 67694 Due 10/01/28	\$ 97,939	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FHLMC #420191 Due 06/01/30	33,277	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #4593 Due 5/1/24	62,598	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FHLMC #29139 Due 7/1/26	42,181	Federal Home Loan Bank of Dallas - Irving, TX
		<u>\$ 131,216</u>	

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

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Cash and Temporary Investments by Depository**  
**June 30, 2009**

Deposit or Investment Account Type	Western Commerce Bank	Carlsbad National Bank	Wells Fargo Bank	Total
Checking	\$ 1,343,612	\$ 376,740	\$ 52,450	\$ 1,772,802
Checking	5,114,211	170,585	1,998,331	7,283,127
Checking	785,317	5,594,389	2,234,427	8,614,133
Checking	9,433,338	-	68,161	9,501,499
Checking	2,122,446	-	-	2,122,446
Total on deposit	18,798,924	6,141,714	4,353,369	29,294,007
Reconciling items	(2,692,528)	(245,288)	(481)	(2,938,297)
Reconciled balance at June 30, 2009	<u>\$ 16,106,396</u>	<u>\$ 5,896,426</u>	<u>\$ 4,352,888</u>	<u>\$ 26,355,710</u>
Reconciliation to financial statements:				
Cash and cash equivalents:				
				\$ 25,886,795
				468,915
				<u>\$ 26,355,710</u>

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



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**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Cash Reconciliation**  
**June 30, 2009**

	<u>Operational Account</u>	<u>Transportation Account</u>	<u>Instructional Materials Account</u>	<u>Food Services Account</u>
Cash, June 30, 2008	\$ 4,502,201	\$ -	\$ 221,278	\$ 313,820
Add:				
2008-09 revenues	48,654,197	1,765,435	621,091	3,447,244
Adjustment	603,724	-	-	-
Loans from other funds	(1,750,000)	-	-	-
Total cash available	52,010,122	1,765,435	842,369	3,761,064
Less:				
2008-09 expenditures	(47,460,462)	(1,765,435)	(420,816)	(3,445,213)
Change in insurance accounts	2,354,554	-	-	-
Change in held checks	-	-	-	-
Cash transfers	(6,661)	-	-	-
Miscellaneous	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2009	<u>\$ 6,897,553</u>	<u>\$ -</u>	<u>\$ 421,553</u>	<u>\$ 315,851</u>
Bank balance end of year	\$ 4,688,752	\$ 3,906	\$ 421,553	\$ 376,740
Outstanding checks	(146,976)	(3,906)	-	(60,889)
Interest earned	-	-	-	-
Deposits in transit	-	-	-	-
Adjustment for voided checks	-	-	-	-
Amount held in escrow	2,354,554	-	-	-
Miscellaneous	1,223	-	-	-
Cash, June 30, 2009	<u>\$ 6,897,553</u>	<u>\$ -</u>	<u>\$ 421,553</u>	<u>\$ 315,851</u>

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

<b>Athletics Account</b>	<b>Non- Instructional Account</b>	<b>Federal Projects Account</b>	<b>Local/State Account</b>	<b>Bond Building</b>	<b>Spec. Cap. Outlay-State</b>	<b>Cap.Improv. HB-33</b>
\$ 286,992	\$ 465,620	\$ 622,844	\$ (205,523)	\$ 6,623,898	\$ 224,376	\$ 6,613,315
317,570	691,190	3,782,790	994,349	34,046	848,498	3,018,479
-	-	(1,340,001)	(196,990)	(35,500)	-	-
-	-	1,590,000	160,000	-	(254,683)	-
604,562	1,156,810	4,655,633	751,836	6,622,444	818,191	9,631,794
(326,787)	(694,575)	(3,580,726)	(615,132)	(1,071,604)	(788,458)	(3,503,989)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,661	-	16,800	-	-	-
-	-	2,204	(2,625)	-	-	-
-	-	-	-	-	-	-
<u>\$ 277,775</u>	<u>\$ 468,896</u>	<u>\$ 1,077,111</u>	<u>\$ 150,879</u>	<u>\$ 5,550,840</u>	<u>\$ 29,733</u>	<u>\$ 6,127,805</u>
\$ 281,140	\$ 504,177	\$ 1,209,533	\$ 134,079	\$ 5,594,389	\$ 170,584	\$ 6,129,110
(4,169)	(35,262)	(132,422)	-	(43,549)	(140,797)	(1,305)
-	-	-	-	-	(54)	-
804	-	-	-	-	-	-
-	-	-	16,800	-	-	-
-	-	-	-	-	-	-
-	(19)	-	-	-	-	-
<u>\$ 277,775</u>	<u>\$ 468,896</u>	<u>\$ 1,077,111</u>	<u>\$ 150,879</u>	<u>\$ 5,550,840</u>	<u>\$ 29,733</u>	<u>\$ 6,127,805</u>

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Cash Reconciliation  
June 30, 2009**

	<b>Cap. Improv. SB-9</b>	<b>Energy Efficiency</b>	<b>Public Schools Cap. Out.- 20%</b>	<b>Debt Service Fund</b>	<b>Total</b>
Cash, June 30, 2008	\$ 4,886,498	\$ -	\$ 12,701	\$ 2,134,577	\$ 26,702,597
Add:					
2008-09 revenues	3,113,850	-	-	2,029,535	69,318,274
Adjustment	-	-	-	35,500	(933,267)
Loans from other funds	-	-	-	-	(254,683)
Total cash available	8,000,348	-	12,701	4,199,612	94,832,921
Less:					
2008-09 expenditures	(4,960,965)	-	(12,701)	(2,201,281)	(70,848,144)
Change in insurance accounts	-	-	-	-	2,354,554
Change in held checks	-	-	-	-	-
Change in escrow	-	-	-	-	16,800
Miscellaneous	-	-	-	-	(421)
Loans to other funds	-	-	-	-	-
Cash, June 30, 2009	<u>\$ 3,039,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,998,331</u>	<u>\$ 26,355,710</u>
Bank balance end of year	\$ 3,304,228	\$ -	\$ -	\$ 1,998,331	\$ 24,816,522
Outstanding checks	(264,845)	-	-	-	(834,120)
Interest earned	-	-	-	-	(54)
Deposits in transit	-	-	-	-	804
Adjustment for held checks	-	-	-	-	16,800
Amounts held in escrow	-	-	-	-	2,354,554
Miscellaneous	-	-	-	-	1,204
Cash, June 30, 2009	<u>\$ 3,039,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,998,331</u>	<u>\$ 26,355,710</u>

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

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**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Charter School - Jefferson Montessori Academy - Cash Reconciliation**  
**June 30, 2009**

	<b>Operational Account</b>	<b>Local/State Account</b>	<b>Instructional Materials Account</b>	<b>Food Services Account</b>
Cash, June 30, 2008	\$ 114,978	\$ 2,787	\$ 11,494	\$ -
Add:				
2008-09 revenues	1,719,023	2,104	7,567	16,806
Adjustment	199	-	-	-
Loans from other funds	-	-	-	-
Total cash available	1,834,200	4,891	19,061	16,806
Less:				
2008-09 expenditures	(1,376,453)	(2,787)	(16,082)	(16,806)
Receivables/payables	99,224	-	-	-
Cash transfers	8,938	-	-	-
Loans to other funds	(18,632)	-	-	-
Cash, June 30, 2009	<u>\$ 547,277</u>	<u>\$ 2,104</u>	<u>\$ 2,979</u>	<u>\$ -</u>
Bank balance end of year	\$ 596,786	\$ 2,104	\$ 2,979	\$ -
Outstanding checks	(49,708)	-	-	-
Miscellaneous	199	-	-	-
Cash, June 30, 2009	<u>\$ 547,277</u>	<u>\$ 2,104</u>	<u>\$ 2,979</u>	<u>\$ -</u>

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

<b>Public School Cap Outlay</b>	<b>Federal Projects Account</b>	<b>Total</b>
\$ -	\$ -	\$ 129,259
56,412	6,151	1,808,063
-	-	199
-	18,632	18,632
56,412	24,783	1,956,153
(29,870)	(18,632)	(1,460,630)
-	-	99,224
-	(6,151)	2,787
-	-	(18,632)
<u>\$ 26,542</u>	<u>\$ -</u>	<u>\$ 578,902</u>
\$ 26,542	\$ -	\$ 628,411
-	-	(49,708)
-	-	199
<u>\$ 26,542</u>	<u>\$ -</u>	<u>\$ 578,902</u>

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Joint Powers Agreements**  
**For the Year Ended June 30, 2009**

<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
Carlsbad Municipal School District and CARC, Inc.	Carlsbad Municipal School District	The purpose of this agreement is to establish CARC, Inc. as the provider of special education services to students who are placed with or referred to them by the Carlsbad Municipal School District. CARC, Inc. will provide all special education services specified in each student's IEP related to the provision of vocational training goals.
Public Educational Institutions within the State of New Mexico and Cooperative Educational Services	Department of Finance and Administration	The purpose of this agreement is to pool efforts and resources in order to bring additional, necessary educational services and items of tangible personal property to the respective institutions at an affordable cost.
Carlsbad Municipal Schools NM Human Services Department	NM Human Services Department	The purpose of this agreement is to enable the school district to participate in the Medicaid School-Based Service Program. The intent of the parties in entering into this agreement is to improve the health and developmental outcomes of children and youth in New Mexico by providing quality health care and services through the Medicaid School-Based Services program and assuring the appropriate use of public funds in accordance with applicable state and federal requirements.

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



<b>Beginning/ Ending Date</b>	<b>Total Estimated Amount of Project</b>	<b>Amount Agency Contributed</b>	<b>Portion Applicable to Agency</b>	<b>Audit Responsibility</b>	<b>Reporting Agency</b>
March 18, 2009 through April 15, 2010	Undetermined	None	None	Carlsbad Municipal School District	None
April 10, 2002 until rescinded or terminated by a majority vote of the participating members. Any member may unilaterally terminate its participation by giving 30 days written notice of its intention to do so.	Undetermined	\$ 1,314,296	None	None	None
July 1, 2008 through June 30, 2012	Undetermined	\$ 179,318	None	Carlsbad Municipal School District	NM Human Services Department

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Joint Powers Agreements**  
**For the Year Ended June 30, 2009**

<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
Board of Commissioners of Eddy County, Eddy County Sheriff's Office, City of Carlsbad Police Department, & Carlsbad Municipal Schools	Carlsbad Municipal School District	The purpose of the agreement is to provide the school district with 4 school resource officers who would be assigned as needed to various schools and/or outreach programs.
Project Lead the Way, Inc. and Carlsbad Municipal School District	Carlsbad Municipal School District	The purpose of this agreement is to provide a high school and middle school engineering and technology curricula.

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

<b>Beginning/ Ending Date</b>	<b>Total Estimated Amount of Project</b>	<b>Amount Agency Contributed</b>	<b>Portion Applicable to Agency</b>	<b>Audit Responsibility</b>	<b>Reporting Agency</b>
July 15, 2008 through June 30, 2012	\$60,000	None	None	None	None
December 16, 2008 through 6/30/2010	Undetermined	None	None	None	None

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Memorandum's of Understanding**  
**For the Year Ended June 30, 2009**

<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
Region 4 Educated Solutions and Carlsbad Municipal School District	Region 4 Educated Solutions/TCPN	To administer a service program to provide procurement services to local school districts.
NM MESA, Inc. and Carlsbad Municipal School District	NM MESA, Inc.	To empower and motivate New Mexico's culturally diverse students through science, technology, engineering, and math (STEM) enrichment.
Carlsbad (NM) AWARE Program, Inc. and Carlsbad Municipal School District	Carlsbad Municipal School District	To provide childcare services for children of students enrolled in the Carlsbad Municipal School District.
Presbyterian Medical Services and Carlsbad Municipal School District	Carlsbad Municipal School District	To provide medical/primary and behaviorial health services to students, children of students, and staff of the District.
SENM Community Action Corp., Head Start Program, and Carlsbad Municipal School District	Head Start Program	To ensure that children with disabilities enrolled in Head Start Programs receive all the services to which they are entitled.
NM Department of Health and Carlsbad Municipal School District	NM Department of Health	To provide youth suicide prevention services for adolescents at Carlsbad High School
NM Department of Health and Carlsbad Municipal School District	NM Department of Health	To provide integrated primary and behavioral health care for adolescents through a school based health center.

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

<b>Beginning/ Ending Date</b>	<b>Total Estimated Amount of Project</b>	<b>Amount Agency Contributed</b>	<b>Portion Applicable to Agency</b>	<b>Audit Responsibility</b>	<b>Reporting Agency</b>
July 15, 2008 through until terminated w/30 day notice	Undetermined	\$ 550,000	None	None	None
August 29, 2008 through June 30, 2009	\$ 2,000	\$ 6,000	None	None	None
July 15, 2008 through until terminated w/30 day notice	Undetermined	\$ 179,318	None	None	None
September 18, 2008 through May 25, 2009	\$ 85,000	None	None	None	None
August 25, 2008 through May 31, 2009	Undetermined	None	None	None	None
December 1, 2008 through September 30, 2009	\$ 60,000	None	None	None	None
July 1, 2009 through June 30, 2010	\$ 85,000	None	None	None	None

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## **COMPLIANCE SECTION**

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

Hector H. Balderas  
New Mexico State Auditor and  
The Board of Education  
Carlsbad Municipal School District No. 20  
Carlsbad, New Mexico

**Compliance**

We have audited the financial statements of the governmental activities of the Carlsbad Municipal School District No. 20 (the "District") and the discretely presented component unit (Jefferson Montessori Academy), each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We have also audited the financial statements of the discretely presented component unit, the District's nonmajor governmental funds and the budgetary comparisons presented as supplemental information as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal

control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-2 to be significant deficiencies in internal control over financial reporting.

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

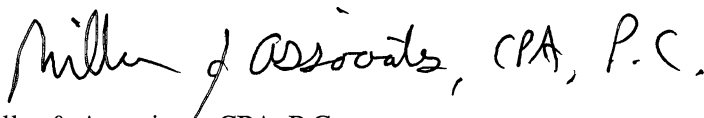
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the control deficiencies described above is a material weakness.

### **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 responses as item 2009-1.

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

This report is intended solely for the information and use of management, Carlsbad Municipal School District No. 20, the State Auditor, the Public Education Department, New Mexico Legislature, the cognizant audit agency, and other federal audit agencies, and is not intended to be, and should not be used by anyone other than these specified parties.



Miller & Associates, CPA, P.C.  
December 18, 2009

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

Hector H. Balderas  
New Mexico State Auditor and  
The Board of Education  
Carlsbad Municipal School District No. 20  
Carlsbad, New Mexico

**Compliance**

We have audited the compliance of Carlsbad Municipal School District No. 20 (the "District"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The 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 Institute's management. Our responsibility is to express an opinion on the Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, Carlsbad Municipal School District No. 20 complied, in all material respects, with the requirements referred to above that are applicable in each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of Carlsbad Municipal School District No. 20 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 Institute's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

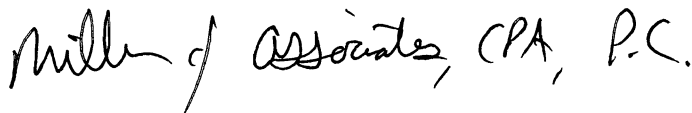
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Institute's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-2, 2009-3, and 2009-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Institute's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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



Miller & Associates, CPA, P.C.  
December 18, 2009

**STATE OF NEW MEXICO**  
**CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Award Amount	Federal Expenditures
<i>Direct Programs:</i>				
U.S. Department of Health and Human Services				
Medicaid Title XIX	93.778	25153	\$ 318,844	\$ 129,580
Total Direct Programs			<u>318,844</u>	<u>129,580</u>
U.S. Department of Agriculture				
Passed through State Department of Education:				
Commodities Program	10.55	21000	151,000	151,000
School Breakfast Program/School Lunch (1)	10.553	21000	2,315,800	2,215,441
Fresh Fruits & Vegetables	10.582	24118	18,129	18,129
Total U.S. Department of Agriculture			<u>2,484,929</u>	<u>2,384,570</u>
U.S. Department of Education				
Passed through State Department of Education:				
ESEA-Title I Basic	84.01	24101	1,657,825	1,409,606
IDEA B Entitlement	84.027	24106	1,590,082	1,425,508
IDEA B Discretionary	84.027	24107	49,957	44,691
IDEA B Preschool	84.173	24109	39,054	30,124
IDEA B Private School Share	84.027	24115	11,667	7,824
Carls Perkins Vocational	84.048A	24174	64,344	63,199
Title II A	84.367A	24154	480,167	402,260
Title IV A	84.186A	24157	28,062	20,442
Carl Perkins Redistribution	84.048	24176	31,485	29,362
Total U.S. Department of Education			<u>3,952,643</u>	<u>3,433,016</u>
Total Federal Financial Assistance			<u>\$ 6,756,416</u>	<u>\$ 5,947,166</u>

(1) Major Program

**Note:**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Carlsbad Municipal School District and is presented on the budgetary basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the presentation of the governmental fund financial statements may not be consistent with amounts used in the Schedule of Expenditures of Federal Awards.

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2008 was \$125,239 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

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

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs  
June 30, 2009**

---

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the primary government, and an unqualified opinion on the discretely presented component unit of Carlsbad Municipal School District No. 20.
2. Two control deficiencies on compliance over financial reporting were disclosed during the audit of the financial statements. There were no significant deficiencies.
3. Three significant deficiencies were identified during the audit of internal control over major federal award programs.
4. No significant deficiencies were identified during the audit of compliance over major federal award programs.
5. The auditor's report on compliance for major federal award programs for Carlsbad Municipal School District expresses an unqualified opinion on all federal programs.
6. There were three audit findings that were required to be reported in accordance with OMB Circular A-133, Section 510(a).
7. The program tested as major was School Breakfast Program, CFDA No. 10.553
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Carlsbad Municipal School District No. 20 was determined to be a low-risk auditee.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs  
June 30, 2009**

---

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

Jefferson Montessori Academy  
2007-2: Disbursements

Condition

During our testwork of disbursements, we found the following:

- Thirteen out of forty purchase orders that totaled \$6,610 were dated after the invoice.

Criteria

NMAC 6.20.2.17 states that an internal control structure over purchasing shall be established and maintained to assure compliance with the Academy's policy and with state and federal regulations (NMSA 1978, 12-8-89, 12-14-96, 7-1-93). All purchases from School funds shall be made in accordance with applicable statutes and regulations (Procurement Code, Section 13-1-21 et seq., NMSA 1978).

Cause

Management does not have the proper internal controls in place to ensure that all purchase orders are dated prior to the invoice. In addition, management did not follow the internal control process which requires checks to have two signatures and vouchers were not properly filed.

Effect

The Academy is in violation of the Academy's control policies as well as the State Procurement Code.

Recommendation

We recommend that Jefferson Montessori Academy establish internal controls to ensure that purchase orders are prepared when goods or services are ordered and that management follow internal control process that is set forth. In addition, we recommend that the Academy continue to outsource and utilize Accounting and Consulting Group, LLP

Agency Response

Jefferson Montessori Academy (JMA) has outsourced its business office to the New Mexico Coalition for Charter Schools (NMCCS), beginning January 1, 2010. Mr. Michael Vigil is a Level II, Licensed Business Manager and is employed with NMCCS. Mr. Vigil is hired to evaluate, recommend changes to, and develop/design improve Internal Control Procedures. As a part of this implementation, key personnel will be trained on the new procedures and administrative oversight will be strengthened therefore improvement will be documented throughout the year by declining number of occurrences of after-the-fact purchases.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs  
June 30, 2009**

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

Carlsbad Municipal Schools  
2009-1: Late Audit Report

Condition

The District's June 30, 2009 audit report was not submitted to the state auditor by November 15, 2009.

Criteria

New Mexico State Auditor Rule 2.2.2 NMAC Section 2.2.2.9 (A) requires that the audit report be filed by November 15<sup>th</sup>.

Cause

Due to turnover in key positions, capital asset records were not ready to be audited.

Effect

The audit report has not been issued in compliance with 2.2.2.9 NMAC. The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc. do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding.

Recommendation

We recommend that the District implement procedures to ensure that the books are kept in good order to enable auditing procedures to be performed on a timely basis.

Agency Response

The District was in the midst of the financial system conversion and had staff turnover in key positions during the audit field work. The completion of the Capital Assets records for review delayed the completion of the audit, ultimately causing the late submission of the audit report. Focus will be placed on the pre-audit preparation phase of next year's audit so that this finding will not be repeated.



**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs  
June 30, 2009**

---

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

2009-2 Procurement - Verification of Bid Prices

Condition

During our audit of the National School Lunch Program, CFDA No. 10.555, in accordance with OMB A-133, we found that out of the 40 expenditures selected for testing, 2 expenditures were invoiced and paid by CMS at a cost per item that was greater than the cost listed on the bid sheet.

Question Costs

None

Criteria

According to the State Procurement Code, "No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using agent certifies that the services, construction or items of tangible personal property have been received and meet specifications or unless prepayment is permitted under Section 13-1-98 NMSA 1978 by exclusion of the purchase from the Procurement Code."

Cause

Management does not have the internal controls in place to ensure that invoices received match the corresponding purchase order.

Effect

Failure to properly review invoices before payment resulted in CMS's non-compliance with the NM State Procurement Code.

Recommendation

We recommend that the District implement controls to ensure that all invoices are compared to the corresponding purchase orders so that any discrepancies are resolved before payment is rendered.

Agency Response

Reorganization of the district's finance-related functions for all Funds and Programs, including the Food Service Program, was implemented on July 1, 2009. Responsibility for the verification of bid prices for all Food Service invoices has been reassigned to the Food Service Office Manager. This review function will take place prior to forwarding the invoices to the Accounts Payable Unit for payment.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs  
June 30, 2009**

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C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2009-3 Inconsistent Use of Purchase Requisitions

Condition

During our audit of the National School Lunch Program, CFDA No. 10.555, in accordance with OMB A-133, we noted that use of Purchase Requisitions was not consistent for every expenditure.

Question Costs

None

Criteria

According to the Central Purchasing Memo obtained from the client, in order to initiate a purchase a purchase requisition must be filled out by the person wishing to make a purchase.

Cause

Management does not have the internal controls in place to ensure that the purchase requisitions are used procure goods and services.

Effect

Failure to use purchase requisitions resulted in non-compliance with purchasing policies established by Carlsbad Municipal Schools.

Recommendation

We recommend that the Schools be consistent with their established procurement policy.

Agency Response

The District converted to a new financial system and reorganization of the district's finance-related functions for all Funds and Programs, including the Food Service Program, was implemented on July 1, 2009. The new financial system requires the creation of a Purchase Requisition prior to the issuance of a system-generated Purchase Order.

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs  
June 30, 2009**

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C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2009-4 Suspension and Debarment

Condition

During our audit of the National School Lunch Program, CFDA No. 10.555, in accordance with OMB A-133, we noted that the Lyman Graham, Grant Administrator, was not familiar with the requirements for suspension and debarment.

Question Costs

None

Criteria

According to the OMB A-133 Compliance Supplement, when a non-federal agency enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System* (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. A "covered transaction" includes those procurement contracts for goods and services awarded under a non-procurement transaction that is expected to equal or exceed \$25,000 or meet certain other specified criteria.

Cause

The controls were not in place to verify that entities are not suspended or debarred when entering into a covered transaction.

Effect

The effect of not verifying vendors were not suspended or debarred resulted in the School's non-compliance with federal guidelines.

Recommendation

We recommend that the College use the *Excluded Parties List System* to verify that an entity is not suspended or debarred before entering into a covered transaction, and keep documentation showing that the verification was performed.

Agency Response

District representatives responsible for the procurement process will participate in the New Mexico Public Procurement Association, an agency that provides research, review and training on the procurement code and procurement compliance issues. The District will implement added procedures to verify that any vendor is not suspended, debarred or otherwise excluded, as noted in this finding.

D. FINDINGS - PRIOR YEAR AUDIT

Jefferson Montessori Academy

2007 - 2: Disbursements – Revised and Repeated

**STATE OF NEW MEXICO  
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Exit Conference  
June 30, 2009**

**EXIT CONFERENCE**

The contents of this report were discussed at an exit conference held December 18, 2009 at the Business Office of the Carlsbad Municipal School District. Ryan Miller, Shareholder, and Ron Miller, Shareholder, represented Miller & Associates, CPA, P.C. Sheri Williams, Superintendent; Laura Garcia, Director of Finance; Ted Cordova, Director of Human Resources; Mark Cahenzli, Director of Curriculum & Secondary Instruction, Erich Francke, Director of Operations, Ron Singleton, Board President, Angela Campos, Board Vice-President, Steve West, Board Secretary, Doris Bruton Carleton, Board Member, and LaVern Shan, Director of Curriculum & Elementary Instruction; represented the Carlsbad Municipal School District No. 20.

The contents of this report were discussed at an exit conference held December 18, 2009 at the Business Office of Jefferson Montessori Academy. Ryan Miller, Shareholder, and Ron Miller, Shareholder, represented Miller & Associates, CPA, P.C. Cindy Holguin, Chief Executive Officer and Tammi Dutton, Office Manager; represented Jefferson Montessori Academy.

**FINANCIAL STATEMENT PRESENTATION**

The financial statements were prepared from the original books and records of the Carlsbad Municipal School District No. 20 and Jefferson Montessori Academy as of June 30, 2009 by Miller & Associates, Certified Public Accountants, a Professional Corporation. However, the financial statements and their contents are the responsibility of the District.