

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2010

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

 KEYSTONE ACCOUNTING, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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OFFICIAL ROSTER

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OFFICIAL ROSTERS
June 30, 2009

CIMARRON MUNICIPAL SCHOOL

Board of Education

Sally Torres	Board President
Mark Anderson	Board Vice President
Kathleen Derwin	Board Secretary
Annette Johnson	Board Member
Scott Shaffer	Board Member

School Officials

James Gallegos	Superintendent
Lita Sanchez	Business Manager

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FINANCIAL SECTION

FISCAL YEAR 2010

JULY 1, 2009 THROUGH JUNE 30, 2010

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INDEPENDENT AUDITOR'S REPORT

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KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Fax (505) 566-1911

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
And the Board of Education of
Cimarron Municipal School District No. 3

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2010, which collectively comprise Cimarron Municipal School District No. 3's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cimarron Municipal School District No. 3's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Cimarron Municipal School District No. 3's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Cimarron Municipal School District No. 3, as of June 30, 2010, and the respective changes in financial position 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 nonmajor governmental fund of the Cimarron Municipal School District No. 3 as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KEYSTONE ACCOUNTING, LLC

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Fax (505) 566-1911

Hector H. Balderas, State Auditor
And the Board of Education of
Cimarron Municipal School District No. 3

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2010, on our consideration of the Cimarron Municipal School District No. 3'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 conjunction with this report in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

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

Keystone Accounting, LLC

October 22, 2010

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET ASSETS
June 30, 2010

	Governmental <u>Activities</u>	Moreno Valley <u>High School</u>
ASSETS		
Cash and cash equivalents	\$ 4,840,032	\$ 285,049
Receivables:		
Delinquent property taxes receivable	1,704,638	-
Grant	66,860	54,911
Due from other governments	97,344	-
Deferred bond issuance costs	2,934	-
USDA commodities inventory	867	-
Food inventory	2,782	-
Non-current:		
Non-depreciable assets	1,041,046	1,955,495
Depreciable capital assets, net	<u>13,038,013</u>	<u>662,192</u>
Total assets	<u>20,794,516</u>	<u>2,957,647</u>
LIABILITIES		
Accounts payable	8,997	124,890
Accrued salaries	-	32,389
Accrued interest	12,219	621
Deferred grant revenue	46,086	-
Loans payable	-	43,685
Noncurrent liabilities:		
Notes payable, less current portion		124,087
Due within one year	625,000	-
Due in more than one year	<u>525,348</u>	<u>-</u>
Total liabilities	<u>1,217,650</u>	<u>325,672</u>
NET ASSETS		
Invested in capital assets, net of related debt	12,919,426	2,449,915
Restricted for:		
Inventories	3,649	
Capital projects	5,161,240	(87,335)
Debt service	2,000,675	-
Special revenue funds	119,314	-
Unrestricted	<u>300,922</u>	<u>269,395</u>
Total net assets	<u>\$ 20,505,226</u>	<u>\$ 2,631,975</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary government:						
Governmental activities:						
Instruction	\$ 3,472,920	\$ 5,429	\$ 606,768	\$ 4,100	\$ (2,856,623)	\$ -
Support Services - Students	684,534	13,620	119,598	808	(550,508)	-
Support Services - Instruction	102,862	-	17,971	121	(84,770)	-
Support Services - General Administration	279,852	-	48,894	330	(230,628)	-
Support Services - School Administration	310,872	-	54,314	367	(256,191)	-
Central Services	82,454	-	14,406	-	(68,048)	-
Operations & Maintenance of Plant	989,288	-	172,843	-	(816,445)	-
Student Transportation	420,200	-	505,471	-	85,271	-
Other Support Services	6,124	-	1,070	-	(5,054)	-
Food Services	212,818	41,402	156,664	-	(14,752)	-
Bond interest paid	<u>66,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,984)</u>	<u>-</u>
Total governmental activities	\$ 6,628,908	\$ 60,451	\$ 1,697,999	\$ 5,726	(4,864,732)	-
Moreno Valley High School	\$ 1,277,761	\$ 63,944	\$ 778,748	\$ 128,123	-	(306,947)
General revenues:						
Property Taxes:						
					148,510	-
					1,975,169	-
					2,054,948	-
					3,667,555	842,575
					1,406	(9,213)
					-	25,410
					(1,001,194)	1,001,194
					<u>6,846,394</u>	<u>1,859,966</u>
					(84,931)	(1,641)
					1,896,731	1,551,378
					<u>17,680,135</u>	<u>1,080,597</u>
					<u>\$ 19,576,866</u>	<u>\$ 2,631,975</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2010

	General	Capital	Capital	Education	Other	Total
	<u>Fund</u>	Improvements	Improvements	Technology	Governmental	Governmental
		HB-33	SB-9	Debt Service	Funds	Funds
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		<u>Funds</u>
ASSETS						
Pooled cash and investments	\$ 294,906	\$ 1,248,103	\$ 2,200,004	\$ 508,255	\$ 588,764	\$ 4,840,032
Receivables:						
Delinquent property taxes	7,257	131,745	105,000	1,360,305	100,331	1,704,638
Grant	-	-	-	-	66,860	66,860
Due from other governments	5,066	35,674	26,441	30,128	35	97,344
USDA commodities inventory	-	-	-	-	867	867
Food inventory	-	-	-	-	2,782	2,782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 307,229</u>	<u>\$ 1,415,522</u>	<u>\$ 2,331,445</u>	<u>\$ 1,898,688</u>	<u>\$ 759,639</u>	<u>\$ 6,712,523</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 6,307	\$ -	\$ 2,276	\$ -	\$ 414	\$ 8,997
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	46,086	46,086
Delinquent property taxes	3,817	108,605	88,025	1,341,064	100,293	1,641,804
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>10,124</u>	<u>108,605</u>	<u>90,301</u>	<u>1,341,064</u>	<u>146,793</u>	<u>1,696,887</u>
Fund balance:						
Reserved for:						
Inventories	-	-	-	-	3,649	3,649
Capital projects funds	-	2,235,277	2,241,144	-	488,189	4,964,610
Debt service	-	-	-	557,624	1,694	559,318
Special revenue funds	-	-	-	-	119,314	119,314
Unreserved, undesignated, and reported in:						
General fund	297,105	-	-	-	-	297,105
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>297,105</u>	<u>2,235,277</u>	<u>2,241,144</u>	<u>557,624</u>	<u>612,846</u>	<u>5,943,996</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 307,229</u>	<u>\$ 2,343,882</u>	<u>\$ 2,331,445</u>	<u>\$ 1,898,688</u>	<u>\$ 759,639</u>	<u>\$ 7,640,883</u>

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

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**RECONCILIATION OF THE BALANCE SHEET - ALL
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2010**

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

Fund balances - total governmental funds	\$	5,943,996
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		22,007,291
Accumulated depreciation		(7,928,232)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		1,641,804
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(1,150,000)
Accrued interest payable		(12,219)
Bond premiums		(348)
		<u> </u>
Net assets of governmental activities	\$	<u>20,505,226</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	General <u>Fund</u>	Capital Improvements HB-33 <u>Fund</u>	Capital Improvements SB-9 <u>Fund</u>	Education Technology Debt Service <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:						
Federal sources:						
Forest reserve	\$ 11,385	\$ -	\$ -	\$ -	\$ -	\$ 11,385
Federal flowthrough grants	-	-	-	-	309,314	309,314
Federal direct grants	-	-	-	-	299,205	299,205
Food and milk reimbursements	-	-	-	-	145,022	145,022
USDA Commodities	-	-	-	-	11,642	11,642
State sources:						
State equalization guarantee	3,640,134	-	-	-	-	3,640,134
Transportation	505,471	-	-	-	-	505,471
State instructional material	15,607	-	-	-	-	15,607
State grant	251,755	-	-	-	93,872	345,627
Local sources:						
Grant	-	-	-	-	56,516	56,516
District school tax levy	150,878	1,110,411	868,652	979,752	857	3,110,550
Fees and activities	5,429	-	-	-	55,022	60,451
Earnings from investments	1,222	2,113	3,041	-	1,174	7,550
Miscellaneous	<u>14,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,245</u>	<u>16,036</u>
 Total revenue	 <u>\$ 4,596,672</u>	 <u>\$ 1,112,524</u>	 <u>\$ 871,693</u>	 <u>\$ 979,752</u>	 <u>\$ 973,869</u>	 <u>\$ 8,534,510</u>

(continued)

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	General Fund	Capital Improvements HB-33 Fund	Capital Improvements SB-9 Fund	Education Technology Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:						
Current:						
Instruction	\$ 2,832,614	\$ -	\$ -	\$ -	\$ 298,871	\$ 3,131,485
Support Services - Students	344,137	-	-	-	273,098	617,235
Support Services - Instruction	22,365	-	-	-	70,384	92,749
Support Services - General Administration	211,785	9,243	7,372	8,378	15,561	252,339
Support Services - School Administration	280,309	-	-	-	-	280,309
Central Services	74,348	-	-	-	-	74,348
Operations & Maintenance of Plant	544,724	-	263,377	-	83,927	892,028
Student Transportation	378,889	-	-	-	-	378,889
Other Support Services	5,522	-	-	-	-	5,522
Food Services	-	-	-	-	191,895	191,895
Capital outlay	-	344,640	466,302	-	33,846	844,788
Debt service:						
Principal retirement	-	-	-	600,000	-	600,000
Bond interest paid	-	-	-	61,625	-	61,625
Total expenditures	<u>4,694,693</u>	<u>353,883</u>	<u>737,051</u>	<u>670,003</u>	<u>967,582</u>	<u>7,423,212</u>
over expenditures	<u>(98,021)</u>	<u>758,641</u>	<u>134,642</u>	<u>309,749</u>	<u>6,287</u>	<u>1,111,298</u>
Other financing sources and financing uses:						
Transfers in	186,746	-	-	-	(1,152)	185,594
Transfers out	-	-	-	-	(185,594)	(185,594)
Total other financing sources and financing uses	<u>186,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186,746)</u>	<u>-</u>
Special items	<u>(72,834)</u>	<u>(928,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,001,194)</u>
Net change in fund balance	15,891	(169,719)	134,642	309,749	(180,459)	110,104
Fund balance at beginning of the year	<u>281,214</u>	<u>1,476,636</u>	<u>2,106,502</u>	<u>247,875</u>	<u>793,305</u>	<u>4,905,532</u>
Fund balance at end of the year	<u>\$ 297,105</u>	<u>\$ 1,306,917</u>	<u>\$ 2,241,144</u>	<u>\$ 557,624</u>	<u>\$ 612,846</u>	<u>\$ 5,015,636</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

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

Net change in fund balance - total governmental funds	\$ 1,111,298
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital outlay	844,788
Depreciation	(645,125)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p style="padding-left: 20px;">Deferred property taxes at:</p>	
June 30, 2009	(573,727)
June 30, 2010	1,641,804
<p>The issuance of long-term debt (e.g., bonds) 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, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Current year principal payments	600,000
Issuance cost amortization	(11,734)
Bond premium amortization	9,177
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
<p style="padding-left: 20px;">Accrued interest at:</p>	
June 30, 2009	(12,219)
June 30, 2010	18,594
Loss on asset disposal	<u>(84,931)</u>
Change in net assets of governmental activities	<u>\$ 2,897,925</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Forest reserve	\$ 10,756	\$ 10,756	\$ 11,385	\$ 629
State sources:				
State equalization guarantee	3,791,342	3,630,097	3,640,134	10,037
State flowthrough grant	101,951	220,000	220,000	-
Transportation	399,576	537,259	505,471	(31,788)
State instructional material	15,608	15,387	15,607	220
State grant	17,933	17,933	17,195	(738)
Local sources:				
District school tax levy	160,979	161,026	148,191	(12,835)
Fees and activities	-	-	129	129
Earnings from investments	4,015	4,015	1,222	(2,793)
Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>18,521</u>	<u>12,521</u>
Total revenues	<u>\$ 4,508,160</u>	<u>\$ 4,602,473</u>	<u>\$ 4,577,855</u>	<u>\$ (24,618)</u>

(continued)

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures:				
Current:				
Instruction	\$ 2,722,768	\$ 2,895,022	\$ 2,820,175	\$ 74,847
Support Services - Students	337,077	345,796	344,137	1,659
Support Services - Instruction	31,615	25,836	22,365	3,471
Support Services - General Administration	203,898	225,087	216,480	8,607
Support Services - School Administration	285,273	281,620	280,309	1,311
Central Services	76,388	74,780	74,348	432
Operation & Maintenance of Plant	627,929	554,115	544,485	9,630
Student Transportation	399,576	569,037	378,889	190,148
Other Support Services	15,670	21,201	5,522	15,679
Total expenditures	4,700,194	4,992,494	4,686,710	305,784
Excess (deficiency) of revenues over expenditures	(192,034)	(390,021)	(108,855)	281,166
Special item	-	(72,834)	(72,834)	-
Net change in fund balance	(192,034)	(462,855)	(181,689)	281,166
Beginning cash balance budgeted	192,034	462,855	-	(462,855)
Fund balance at beginning of the year	-	-	281,214	281,214
Fund balance at end of the year	\$ -	\$ -	99,525	\$ 99,525
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(1,682)	
Change in due from other governments			4,322	
Change in payables			4,456	
Change in due to other funds			115,282	
Change in transfers			72,834	
Change in deferred property taxes			2,368	
			\$ 297,105	

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2010

ASSETS

Pooled cash and investments	\$ <u>114,184</u>
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LIABILITIES

Deposits held for others	\$ <u>114,184</u>
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The notes to the financial statements are an integral part of this statement.

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cimarron Municipal School District (District) 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 Villages of Cimarron, New Mexico, Eagle Nest, New Mexico, Angel Fire, New Mexico, and the surrounding areas. 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 District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

As required by GAAP, these financial statements present the District (primary government) and its component units. The component units discussed below are included in the District's reporting because of the significance of their operational or financial relationships with the District in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District has one component unit reported as a discretely presented component unit. Moreno Valley High School is closely related to Cimarron Municipal Schools and is the financial responsibility of Cimarron Municipal Schools. The component unit each have separately issued reports which can be obtained at:

Moreno Valley High School
56 Camino Grande
P.O. Box 1037
Angel Fire, NM 87710

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

The summary of significant accounting policies of the District is presented to assist in the understanding of the Association's financial statements. The financial statements and notes are the representation of Cimarron Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 who 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. 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. 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, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property taxes 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund – 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.

Capital Improvements HB-33 Capital Assets Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

Capital Improvements SB-9 Capital Assets Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Education Technology Bonds Debt Service Fund – Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

Additionally, the government reports the following fund types:

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

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.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Funds – Fiduciary Funds are agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

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. 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The government'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 investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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 school 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 deposit.

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. *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 interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

The School District’s property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, HB – 33 Capital Improvements Fund , SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. *Inventories*

USDA Commodity and food inventories are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Building improvements	7-20
Vehicles	5
Office equipment	5
Computer equipment	5

5. *Compensated absences*

Accrued and unused annual leave is not paid at the termination of an employee's contract. Accrued sick and unused sick leave is paid to employees who terminate their employment and where employed prior to 1999. The number of employees that are eligible for this payout is minimal and the accrual was not reported in these financial statements.

6. *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 discounts. 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 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.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

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.

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not be included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *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.

11. *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 school district's program cost".

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 \$3,640,134 in state equalization guarantee distributions during the year ended June 30, 2010.

Transportation Distribution: School districts in the State of New Mexico received 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 \$505,471 in transportation distributions during the year ended June 30, 2010.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public 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. 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 reserved 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 for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2010

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service 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 Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2010 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Cimarron Municipal School District No. 3 to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,700,194	\$ 4,992,494
Special Revenue Fund	654,770	851,419
Debt Service Fund	1,191,777	2,135,908
Capital Projects Fund	5,423,245	670,015
Totals	\$ 11,969,986	\$ 8,649,836

B. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2010.

C. Funds Without Budgets

The following funds did not have a budget for the year ended June 30, 2010:

Discretionary IDEA-B Special Revenue Fund
Title II Math/Science Special Revenue Fund

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
 June 30, 2010

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2010, the carrying amount of the District's deposits was \$4,954,216 and the bank balance was \$5,433,747 with the difference being reconciling items as reported on page 147 of this report. Of this balance \$250,000 was covered by federal depository insurance and \$2,887,584 was covered by collateral held in joint safekeeping by a third party. The remaining \$295,710 was not covered by pledged collateral and is comprised of amounts in excess of those required to be collateralized under State law.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. 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. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits.

Uninsured and uncollateralized	\$ 2,296,163
Uninsured and collateral held by pledging bank's trust dept not in the city's name	2,887,584
Total uninsured	5,183,747
Insured (FDIC)	250,000
Total deposits	\$ 5,433,747
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ 2,591,874
Pledged security	2,887,584
Over collateralization	\$ 295,710

The collateral pledged is listed on Page 146 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.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
 June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

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

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	<u>Capital Improvements HB-33</u>	<u>Capital Improvements SB-9</u>	<u>Education Technology Debt Service</u>	<u>Other Governmental Funds</u>
Receivables:					
Delinquent property taxes	\$ 7,257	\$ 131,745	\$ 105,000	\$ 1,360,305	\$ 100,331
Grant	-	-	-	-	66,493
Due from other:					
Governments	<u>5,066</u>	<u>35,674</u>	<u>26,441</u>	<u>30,128</u>	<u>35</u>
Total	<u>\$ 12,323</u>	<u>\$ 167,419</u>	<u>\$ 131,441</u>	<u>\$ 1,390,433</u>	<u>\$ 166,859</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables (continued)

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 46,086
Delinquent property taxes		
General Fund	3,817	-
Capital Improvements HB-33	108,605	-
Capital Improvements SB-9	88,025	-
Education Technology Debt Service	1,341,064	-
Other Governmental Funds	<u>100,293</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 1,641,804</u>	<u>\$ 46,086</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,041,046	\$ -	\$ -	\$ -	\$ 1,041,046
Construction in progress	<u>100,188</u>	<u>-</u>	<u>-</u>	<u>(100,188)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>\$ 1,141,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,188)</u>	<u>\$ 1,041,046</u>
Capital assets, being depreciated:					
Land improvements	\$ 160,557	\$ 2,740	\$ -	\$ 27,510	\$ 190,807
Buildings and improvements	16,953,529	4,975	-	(77,515)	16,880,989
Furniture, fixtures, and equipment	<u>3,074,537</u>	<u>837,073</u>	<u>(167,354)</u>	<u>150,193</u>	<u>3,894,449</u>
Total capital assets being depreciated	<u>20,188,623</u>	<u>844,788</u>	<u>(167,354)</u>	<u>100,188</u>	<u>20,966,245</u>
Less accumulated depreciation for:					
Land improvements	(42,750)	(10,906)	-	-	(53,656)
Buildings and improvements	(5,625,281)	(392,996)	-	-	(6,018,277)
Furniture, fixtures, and equipment	<u>(1,697,499)</u>	<u>(241,223)</u>	<u>82,423</u>	<u>-</u>	<u>(1,856,299)</u>
Total accumulated depreciation	<u>(7,365,530)</u>	<u>(645,125)</u>	<u>82,423</u>	<u>-</u>	<u>(7,928,232)</u>
Total capital assets being depreciated, net	<u>\$ 12,823,093</u>	<u>\$ 199,663</u>	<u>\$ (84,931)</u>	<u>\$ 100,188</u>	<u>\$ 13,038,013</u>

The District contributed \$928,360 toward the construction of a new building for Moreno Valley High School during the year. The District also purchased two suburbans for Moreno Valley High School for \$72,834. The total amount transferred to the charter school was \$1,001,194.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 341,435
Support Services - Students	67,299
Support Services - Instruction	10,113
Support Services - General Administration	27,513
Support Services - School Administration	30,563
Central Services	8,106
Operations & Maintenance of Plant	97,260
Student Transportation	41,311
Other Support Services	602
Food Services	<u>20,923</u>
Total Depreciation Expense	<u>\$ 645,125</u>

Construction commitments

The Cimarron Municipal School District No. 3 has not received any funds from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2010.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$4,036,250 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
 June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

D. Inter-Fund Receivables and Payables

Cimarron Municipal Schools:

There were not any inter-fund loans as of June 30, 2010.

E. Inter-Fund Transfers

There was one inter fund transfer in Cimarron Municipal School District made during the year ended June 30, 2010 to cover expenses.

	<u>From</u>	<u>To</u>
Ed Tech Equipment Act	\$ 1,152	\$ -
Other governmental funds:		
Technology for Education	-	1,152
Total	\$ 1,152	\$ 1,152

F. Special Item

Cimarron Municipal School District provided revenue during the year ended June 30, 2010 for the construction for Moreno Valley High School and the purchase of two suburbans for the charter school. These purchases were shown as a special item in the financial statements.

	<u>From School District</u>	<u>To Charter School</u>
General Fund	\$ 72,834	\$ -
Capital Improvements HB-33	928,360	-
Moreno Valley High School	-	1,001,194
Total	\$ 1,001,194	\$ 1,001,194

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

G. Long-Term Debt

The details of the bonds and notes as of June 30, 2010 are as follows:

Cimarron Municipal Schools

		Original		Balance	Amount Due
<u>General Obligations Bonds</u>		<u>Amount</u>	<u>Interest Rates</u>	<u>June 30, 2010</u>	<u>Within One Year</u>
Series	2006	\$ 1,750,000	4.25%	\$ 1,150,000	\$ 625,000

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

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

<u>General Obligation Bonds</u>			
Year Ending			Total
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2011	\$ 625,000	\$ 35,924	\$ 660,924
2012	525,000	11,156	536,156
Total	<u>\$ 1,150,000</u>	<u>\$ 54,455</u>	<u>\$ 1,204,455</u>

Changes in long term debt – During the year ended June 30, 2010 the following changes occurred in liabilities:

	Prior			Current	Amount Due
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Within One Year</u>
Bonds payable	\$ 1,750,000	\$ -	\$ (600,000)	\$ 1,150,000	\$ 625,000

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt (continued)

	<u>Balance</u> <u>June 30, 2010</u>
Bonds payable	\$ 1,150,000
Current maturities	(625,000)
Unamortized:	
Bond premiums	<u>348</u>
Total non-current liabilities	<u>\$ 525,348</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2010.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

IV. OTHER INFORMATION (continued)

B. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

Plan Description - Substantially all of Cimarron Municipal School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.9% of their gross salary. Cimarron Municipal School District is required to contribute 12.40% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and Cimarron Municipal School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. Cimarron Municipal School District's contributions to the ERB for the years ended June 30, 2010, 2009, and 2008 were \$386,784, \$365,083, and \$348,374 respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2010-2011	13.150%	7.900%
2011-2012	13.900%	7.900%

D. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description – Cimarron Municipal School District No. 3 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2010

IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Cimarron Municipal School District No. 3's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$40,321, \$41,109, and \$41,593, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2010

IV. OTHER INFORMATION (continued)

E. Joint Powers Agreement

Participants:	Cimarron Municipal School District No. 3 Village of Cimarron
Operation Responsibility:	Both parties.
Description:	For the purposes of constructing, maintaining, and operating a heliport for the public in Cimarron. Cimarron Municipal School District No. 3 is responsible for providing electricity, maintaining lighting, and mowing the grass. The Village of Cimarron will be the fiscal agent of the facility and will construct the facility and maintain the surrounding roads.
Period:	January 1, 2009 through December 31, 2039
Project Cost:	Cimarron Municipal Schools agrees to provide location and pay for electricity and maintenance of the grounds.
Association Contributions:	Annually: Undetermined.
Audit Responsibility:	Village of Cimarron
Reporting Responsibility:	Revenues are collected and recorded by the Village and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUNDS
June 30, 2010

OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Combining Balance Sheet
June 30, 2010

	General Funds			
	Operational <u>Fund</u>	Transportation <u>Fund</u>	Instructional Materials <u>Fund</u>	Total General <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 84,521	\$ 190,138	\$ 20,247	\$ 294,906
Receivables:				
Delinquent property taxes	7,257	-	-	7,257
Due from other governments	5,066	-	-	5,066
Total assets	\$ 96,844	\$ 190,138	\$ 20,247	\$ 307,229
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 6,307	\$ -	\$ -	\$ 6,307
Deferred revenue:				
Delinquent property taxes	3,817	-	-	3,817
Total liabilities	10,124	-	-	10,124
Fund balance:				
Unreserved, undesignated, and reported in:				
General fund	86,720	190,138	20,247	297,105
Total liabilities and fund balance	\$ 96,844	\$ 190,138	\$ 20,247	\$ 307,229

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	General Funds			Total General Fund
	Operational Fund	Transportation Fund	Instructional Materials Fund	
Revenues:				
Federal sources:				
Forest reserve	\$ 11,385	\$ -	\$ -	\$ 11,385
State sources:				
State equalization guarantee	3,640,134	-	-	3,640,134
Transportation	-	505,471	-	505,471
State instructional material	-	-	15,607	15,607
State grant	251,755	-	-	251,755
Local sources:				
District school tax levy	150,878	-	-	150,878
Fees and activities	5,429	-	-	5,429
Earnings from investments	1,222	-	-	1,222
Miscellaneous	14,791	-	-	14,791
Total revenue	\$ 4,075,594	\$ 505,471	\$ 15,607	\$ 4,596,672

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	General Funds			Total General Fund
	Operational Fund	Transportation Fund	Instructional Materials Fund	
Expenditures:				
Current:				
Instruction	\$ 2,788,137	\$ -	\$ 44,477	\$ 2,832,614
Support Services - Students	344,137	-	-	344,137
Support Services - Instruction	21,507	-	858	22,365
Support Services - General Administration	211,785	-	-	211,785
Support Services - School Administration	280,309	-	-	280,309
Central Services	74,348	-	-	74,348
Operations & Maintenance of Plant	544,724	-	-	544,724
Student Transportation	-	378,889	-	378,889
Other Support Services	<u>5,522</u>	<u>-</u>	<u>-</u>	<u>5,522</u>
Total expenditures	<u>4,270,469</u>	<u>378,889</u>	<u>45,335</u>	<u>4,694,693</u>
Excess (deficiency) of revenues over expenditures	<u>(194,875)</u>	<u>126,582</u>	<u>(29,728)</u>	<u>(98,021)</u>
Other financing sources and financing uses:				
Transfers in	186,746	-	-	186,746
Special item	<u>(72,834)</u>	<u>-</u>	<u>-</u>	<u>(72,834)</u>
Total other financing sources and financing uses	<u>113,912</u>	<u>-</u>	<u>-</u>	<u>113,912</u>
Net change in fund balance	(80,963)	126,582	(29,728)	15,891
Fund balance at beginning of the year	<u>167,683</u>	<u>63,556</u>	<u>49,975</u>	<u>281,214</u>
Fund balance at end of the year	<u>\$ 86,720</u>	<u>\$ 190,138</u>	<u>\$ 20,247</u>	<u>\$ 297,105</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OPERATIONAL FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Forest reserve	\$ 10,756	\$ 10,756	\$ 11,385	\$ 629
State sources:				
State equalization guarantee	3,791,342	3,630,097	3,640,134	10,037
State flowthrough grant	100,000	220,000	220,000	-
State grant	17,933	17,933	17,195	(738)
Local sources:				
District school tax levy	160,979	161,026	148,191	(12,835)
Fees and activities	-	-	129	129
Earnings from investments	4,015	4,015	1,222	(2,793)
Miscellaneous	6,000	6,000	18,521	12,521
Total revenues	4,091,025	4,049,827	4,056,777	6,950
Expenditures:				
Current:				
Instruction	2,707,160	2,831,660	2,773,377	58,283
Support Services - Students	337,077	345,796	344,137	1,659
Support Services - Instruction	29,664	21,514	21,507	7
Support Services - General Administration	203,898	225,087	216,480	8,607
Support Services - School Administration	285,273	281,620	280,309	1,311
Central Services	76,388	74,780	74,348	432
Operation & Maintenance of Plant	627,929	554,115	544,485	9,630
Other Support Services	15,670	21,201	5,522	15,679
Total expenditures	4,283,059	4,355,773	4,260,165	95,608
Excess (deficiency) of revenues over expenditures	(192,034)	(305,946)	(203,388)	102,558
Other financing uses:				
Special item	-	(72,834)	(72,834)	-
Net change in fund balance	(192,034)	(378,780)	(276,222)	102,558
Beginning cash balance budgeted	192,034	378,780	-	(378,780)
Fund balance at beginning of the year	-	-	167,683	167,683
Fund balance at end of the year	\$ -	\$ -	(108,539)	\$ (108,539)
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(1,682)	
Change in due from other governments			2,001	
Change in payables			4,456	
Change in due to other funds			115,282	
Change in transfers			72,834	
Change in deferred property taxes			2,368	
			\$ 86,720	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TRANSPORTATION FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 399,576	\$ 537,259	\$ 505,471	\$ (31,788)
 Expenditures:				
Current:				
Student Transportation	<u>399,576</u>	<u>569,037</u>	<u>378,889</u>	<u>190,148</u>
Excess (deficiency) of revenues over expenditures	-	(31,778)	126,582	158,360
Beginning cash balance budgeted	-	31,778	-	(31,778)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>63,556</u>	<u>63,556</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	190,138	<u>\$ 190,138</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 190,138</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INSTRUCTIONAL MATERIALS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State flowthrough grant	\$ 1,951	\$ -	\$ -	\$ -
State instructional material	15,608	15,387	15,607	220
Total revenues	17,559	15,387	15,607	220
 Expenditures:				
Current:				
Instruction	15,608	63,362	46,798	16,564
Support Services - Instruction	1,951	4,322	858	3,464
Total expenditures	17,559	67,684	47,656	20,028
Excess (deficiency) of revenues over expenditures	-	(52,297)	(32,049)	20,248
Beginning cash balance budgeted	-	52,297	-	(52,297)
Fund balance at beginning of the year	-	-	49,975	49,975
Fund balance at end of the year	\$ -	\$ -	17,926	\$ 17,926
 RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			2,321	
			\$ 20,247	

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds					
	Food Service <u>Fund</u>	Athletics <u>Fund</u>	Title I <u>Fund</u>	Entitlement IDEA-B <u>Fund</u>	Discretionary IDEA-B <u>Fund</u>	Preschool IDEA-B <u>Fund</u>
ASSETS						
Pooled cash and investments	\$ 8,891	\$ 10,414	\$ 33,938	\$ (16,013)	\$ 1,783	\$ (1,587)
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	-	-	-	16,190	-	1,587
Due from other governments	-	-	-	-	-	-
USDA commodities inventory	867	-	-	-	-	-
Food inventory	<u>2,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,540</u>	<u>\$ 10,414</u>	<u>\$ 33,938</u>	<u>\$ 177</u>	<u>\$ 1,783</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 177	\$ -	\$ -
Deferred revenue:						
Federal, state, and local grants	-	-	33,938	-	1,783	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>33,938</u>	<u>177</u>	<u>1,783</u>	<u>-</u>
Fund balance:						
Reserved for:						
Inventories	3,649	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Special revenue funds	<u>8,891</u>	<u>10,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>12,540</u>	<u>10,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 12,540</u>	<u>\$ 10,414</u>	<u>\$ 33,938</u>	<u>\$ 177</u>	<u>\$ 1,783</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds					
	Title II (Math/Science) <u>Fund</u>	IDEA-B "Risk Pool" <u>Fund</u>	Title II Teacher Quality <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>	ARRA - Title I <u>Fund</u>	ARRA - Entitlement IDEA-B <u>Fund</u>
	ASSETS					
Pooled cash and investments	\$ 794	\$ -	\$ (1,796)	\$ -	\$ (7,828)	\$ -
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	-	-	1,796	-	7,828	-
Due from other governments	-	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total assets	<u>\$ 794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:						
Federal, state, and local grants	794	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total liabilities	<u>794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:						
Reserved for:						
Inventories	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds					
				Rural		
	ARRA - Preschool IDEA-B <u>Fund</u>	Title XIX Medicaid <u>Fund</u>	Teacher Quality Enhancement <u>Fund</u>	Education Achievement Program <u>Fund</u>	ARRA - State Revitalization <u>Fund</u>	Intel Foundation <u>Fund</u>
ASSETS						
Pooled cash and investments	\$ (367)	\$ -	\$ 9,808	\$ (3,384)	\$ (28,250)	\$ -
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	367	-	-	3,384	28,250	-
Due from other governments	-	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 237	\$ -	\$ -	\$ -
Deferred revenue:						
Federal, state, and local grants	-	-	9,571	-	-	-
Delinquent property taxes	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>9,808</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:						
Reserved for:						
Inventories	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds					
	PNM Foundation <u>Fund</u>	Turner Foundation <u>Fund</u>	Microsoft Settlement <u>Fund</u>	A Plus for Energy <u>Fund</u>	Dual Credit Instructional Materials <u>Fund</u>	Go Bond Library <u>Fund</u>
ASSETS						
Pooled cash and investments	\$ -	\$ 27,375	\$ -	\$ 2,758	\$ -	\$ (7,458)
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	-	-	-	-	-	7,458
Due from other governments	-	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 27,375</u>	<u>\$ -</u>	<u>\$ 2,758</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:						
Reserved for:						
Inventories	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Special revenue funds	-	27,375	-	2,758	-	-
	<u>-</u>	<u>27,375</u>	<u>-</u>	<u>2,758</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>27,375</u>	<u>-</u>	<u>2,758</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 27,375</u>	<u>\$ -</u>	<u>\$ 2,758</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds					
	Technology for Education <u>Fund</u>	Incentives for School Improvement <u>Fund</u>	State School Improvement <u>Fund</u>	Libraries GO Bond 2004 <u>Fund</u>	Mid-School Tutoring & Student Enhance <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>
ASSETS						
Pooled cash and investments	\$ 11,321	\$ 25,256	\$ 1,075	\$ -	\$ 5,996	\$ 4,300
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,321</u>	<u>\$ 25,256</u>	<u>\$ 1,075</u>	<u>\$ -</u>	<u>\$ 5,996</u>	<u>\$ 4,300</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:						
Reserved for:						
Inventories	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Special revenue funds	<u>11,321</u>	<u>25,256</u>	<u>1,075</u>	<u>-</u>	<u>5,996</u>	<u>4,300</u>
Total fund balance	<u>11,321</u>	<u>25,256</u>	<u>1,075</u>	<u>-</u>	<u>5,996</u>	<u>4,300</u>
Total liabilities and fund balance	<u>\$ 11,321</u>	<u>\$ 25,256</u>	<u>\$ 1,075</u>	<u>\$ -</u>	<u>\$ 5,996</u>	<u>\$ 4,300</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds				
	Breakfast for Elementary Students <u>Fund</u>	Outdoor Classroom Initiative <u>Fund</u>	Rural Revitalization <u>Fund</u>	NM Outdoor Classroom <u>Fund</u>	Library Books <u>Fund</u>
ASSETS					
Pooled cash and investments	\$ 2,603	\$ -	\$ -	\$ -	\$ 1,510
Receivables:					
Delinquent property taxes	-	-	-	-	-
Grant	-	-	-	-	-
Due from other governments	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-
Food inventory	-	-	-	-	-
	-----	-----	-----	-----	-----
Total assets	<u>\$ 2,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:					
Federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-
	-----	-----	-----	-----	-----
Total liabilities	-----	-----	-----	-----	-----
Fund balance:					
Reserved for:					
Inventories	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Special revenue funds	<u>2,603</u>	-----	-----	-----	<u>1,510</u>
	-----	-----	-----	-----	-----
Total fund balance	<u>2,603</u>	-----	-----	-----	<u>1,510</u>
	-----	-----	-----	-----	-----
Total liabilities and fund balance	<u>\$ 2,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds			
	NM Arts <u>Fund</u>	Center for Teaching Excellence <u>Fund</u>	Gear Up <u>Fund</u>	Outdoor Classroom Experience <u>Fund</u>
ASSETS				
Pooled cash and investments	\$ 401	\$ 9,703	\$ 1,644	\$ 525
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 401	\$ 9,703	\$ 1,644	\$ 525
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue:				
Federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	-	-	-	-
Fund balance:				
Reserved for:				
Inventories	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Special revenue funds	401	9,703	1,644	525
	401	9,703	1,644	525
Total fund balance	401	9,703	1,644	525
Total liabilities and fund balance	\$ 401	\$ 9,703	\$ 1,644	\$ 525

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds		
	CS Grant <u>Fund</u>	City/County Grants <u>Fund</u>	Total Non-Major Special Revenue <u>Funds</u>
ASSETS			
Pooled cash and investments	\$ 5,542	\$ -	\$ 98,954
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	66,860
Due from other governments	-	-	-
USDA commodities inventory	-	-	867
Food inventory	-	-	2,782
	-	-	2,782
Total assets	\$ 5,542	\$ -	\$ 169,463
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 414
Deferred revenue:			
Federal, state, and local grants	-	-	46,086
Delinquent property taxes	-	-	-
	-	-	-
Total liabilities	-	-	46,500
Fund balance:			
Reserved for:			
Inventories	-	-	3,649
Capital projects funds	-	-	-
Debt service	-	-	-
Special revenue funds	5,542	-	119,314
	5,542	-	122,963
Total fund balance	5,542	-	122,963
Total liabilities and fund balance	\$ 5,542	\$ -	\$ 169,463

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2010

	Capital Projects Funds		Total	Debt Service Funds	
	Ed Technology Equipment Act Fund	Public School Capital Outlay - 20% Fund	Non-Major Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and investments	\$ 488,189	\$ -	\$ 488,189	\$ 1,621	\$ 588,764
Receivables:					
Delinquent property taxes	-	-	-	100,331	100,331
Grant	-	-	-	-	66,860
Due from other governments	-	-	-	35	35
USDA commodities inventory	-	-	-	-	867
Food inventory	-	-	-	-	2,782
	-	-	-	-	2,782
Total assets	\$ 488,189	\$ -	\$ 488,189	\$ 101,987	\$ 759,639
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 414
Deferred revenue:					
Federal, state, and local grants	-	-	-	-	46,086
Delinquent property taxes	-	-	-	100,293	100,293
	-	-	-	100,293	146,793
Total liabilities	-	-	-	100,293	146,793
Fund balance:					
Reserved for:					
Inventories	-	-	-	-	3,649
Capital projects funds	488,189	-	488,189	-	488,189
Debt service	-	-	-	1,694	1,694
Special revenue funds	-	-	-	-	119,314
	-	-	-	-	119,314
Total fund balance	488,189	-	488,189	1,694	612,846
Total liabilities and fund balance	\$ 488,189	\$ -	\$ 488,189	\$ 101,987	\$ 759,639

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds					
	Food Service	Athletics	Title I	Entitlement IDEA-B	Discretionary IDEA-B	Preschool IDEA-B
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Revenues:						
Federal sources:						
Federal flowthrough grants	\$ -	\$ -	\$ 90,505	\$ 102,524	\$ -	\$ 10,101
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	145,022	-	-	-	-	-
USDA Commodities	11,642	-	-	-	-	-
State sources:						
State grant	1,706	-	-	-	-	-
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	41,402	13,620	-	-	-	-
Earnings from investments	24	9	-	-	-	-
Miscellaneous	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>199,805</u>	<u>13,629</u>	<u>90,505</u>	<u>102,524</u>	<u>-</u>	<u>10,101</u>

(continued)

	<u>Food Service</u> <u>Fund</u>	<u>Athletics</u> <u>Fund</u>	<u>Title I</u> <u>Fund</u>	<u>Entitlement</u> <u>IDEA-B</u> <u>Fund</u>	<u>Discretionary</u> <u>IDEA-B</u> <u>Fund</u>	<u>Preschool</u> <u>IDEA-B</u> <u>Fund</u>
Expenditures:						
Current:						
Instruction	-	5,668	63,366	73,086	-	10,101
Support Services - Students	-	-	-	17,121	-	-
Support Services - Instruction	-	-	23,907	-	-	-
Support Services - General Administration	-	-	3,232	12,317	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-
Food Services	191,895	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>191,895</u>	<u>5,668</u>	<u>90,505</u>	<u>102,524</u>	<u>-</u>	<u>10,101</u>
Excess (deficiency) of revenues over expenditures	<u>7,910</u>	<u>7,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,910	7,961	-	-	-	-
Fund balance at beginning of the year	<u>4,630</u>	<u>2,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 12,540</u>	<u>\$ 10,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds					
	Title II (Math/Science) <u>Fund</u>	IDEA-B "Risk Pool" <u>Fund</u>	Title II Teacher Quality <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>	ARRA - Title I <u>Fund</u>	ARRA - Entitlement IDEA-B <u>Fund</u>
Revenues:						
Federal sources:						
Federal flowthrough grants	\$ -	\$ -	\$ 6,783	\$ 1,550	\$ 37,736	\$ 58,174
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
State sources:						
State grant	-	-	-	-	-	-
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenue	-	-	6,783	1,550	37,736	58,174

(continued)

	Title II (Math/Science) <u>Fund</u>	IDEA-B "Risk Pool" <u>Fund</u>	Title II Teacher Quality <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>	ARRA - Title I <u>Fund</u>	ARRA - Entitlement IDEA-B <u>Fund</u>
Expenditures:						
Current:						
Instruction	-	-	6,783	1,550	-	-
Support Services - Students	-	-	-	-	-	58,174
Support Services - Instruction	-	-	-	-	37,736	-
Support Services - General Administration	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-
Food Services	-	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>6,783</u>	<u>1,550</u>	<u>37,736</u>	<u>58,174</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds				
	ARRA - Preschool IDEA-B <u>Fund</u>	Title XIX Medicaid <u>Fund</u>	Teacher Quality Enhancement <u>Fund</u>	Rural Education Achievement Program <u>Fund</u>	ARRA - State Revitalization <u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 1,941	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	14,302	3,157	20,661	261,085
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Miscellaneous	-	-	-	-	1,236
Total revenue	<u>1,941</u>	<u>14,302</u>	<u>3,157</u>	<u>20,661</u>	<u>262,321</u>

(continued)

	ARRA - Preschool IDEA-B <u>Fund</u>	Title XIX Medicaid <u>Fund</u>	Teacher Quality Enhancement <u>Fund</u>	Rural Education Achievement Program <u>Fund</u>	ARRA - State Revitalization <u>Fund</u>
Expenditures:					
Current:					
Instruction	1,941	285	3,157	-	96,675
Support Services - Students	-	11,496	-	20,661	165,646
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>2,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,941</u>	<u>14,302</u>	<u>3,157</u>	<u>20,661</u>	<u>262,321</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds				
	Intel Foundation <u>Fund</u>	PNM Foundation <u>Fund</u>	Turner Foundation <u>Fund</u>	Microsoft Settlement <u>Fund</u>	A Plus for Energy <u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	44,894	2	4,572
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	1	58	-	9
Miscellaneous	-	-	-	-	-
Total revenue	-	1	44,952	2	4,581

(continued)

	<u>Intel Foundation Fund</u>	<u>PNM Foundation Fund</u>	<u>Turner Foundation Fund</u>	<u>Microsoft Settlement Fund</u>	<u>A Plus for Energy Fund</u>
Expenditures:					
Current:					
Instruction	-	1	17,577	2	1,823
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>1</u>	<u>17,577</u>	<u>2</u>	<u>1,823</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>27,375</u>	<u>-</u>	<u>2,758</u>
Other financing uses:					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	27,375	-	2,758
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,375</u>	<u>\$ -</u>	<u>\$ 2,758</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds				
	Dual Credit Instructional Materials <u>Fund</u>	Go Bond Library <u>Fund</u>	Technology for Education <u>Fund</u>	Incentives for School Improvement <u>Fund</u>	State School Improvement <u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	325	8,741	10,150	28,261	1,075
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	19	32	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>325</u>	<u>8,741</u>	<u>10,169</u>	<u>28,293</u>	<u>1,075</u>

(continued)

	Dual Credit Instructional Materials <u>Fund</u>	Go Bond Library <u>Fund</u>	Technology for Education <u>Fund</u>	Incentives for School Improvement <u>Fund</u>	State School Improvement <u>Fund</u>
Expenditures:					
Current:					
Instruction	325	-	-	3,037	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	8,741	-	-	-
Support Services - General Administration	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>325</u>	<u>8,741</u>	<u>-</u>	<u>3,037</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>10,169</u>	<u>25,256</u>	<u>1,075</u>
Other financing uses:					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>1,152</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>1,152</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	11,321	25,256	1,075
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,321</u>	<u>\$ 25,256</u>	<u>\$ 1,075</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds				
	Libraries GO Bond 2004 <u>Fund</u>	Mid-School Tutoring & Student Enhance <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>	Breakfast for Elementary Students <u>Fund</u>	Outdoor Classroom Initiative <u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	1	5,996	15,013	2,602	1
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	15	1	-
Miscellaneous	-	-	-	-	-
Total revenue	<u>1</u>	<u>5,996</u>	<u>15,028</u>	<u>2,603</u>	<u>1</u>

(continued)

	Libraries GO Bond 2004 <u>Fund</u>	Mid-School Tutoring & Student Enhance <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>	Breakfast for Elementary Students <u>Fund</u>	Outdoor Classroom Initiative <u>Fund</u>
Expenditures:					
Current:					
Instruction	1	-	10,728	-	1
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1</u>	<u>-</u>	<u>10,728</u>	<u>-</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>5,996</u>	<u>4,300</u>	<u>2,603</u>	<u>-</u>
Other financing uses:					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	5,996	4,300	2,603	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 5,996</u>	<u>\$ 4,300</u>	<u>\$ 2,603</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds				
	Rural Revitalization <u>Fund</u>	NM Outdoor Classroom <u>Fund</u>	Library Books <u>Fund</u>	NM Arts <u>Fund</u>	Center for Teaching Excellence <u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	4,976	-	1,508	895	10,454
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	2	6	7
Miscellaneous	-	-	-	-	-
Total revenue	4,976	-	1,510	901	10,461

(continued)

	Rural Revitalization <u>Fund</u>	NM Outdoor Classroom <u>Fund</u>	Library Books <u>Fund</u>	NM Arts <u>Fund</u>	Center for Teaching Excellence <u>Fund</u>
Expenditures:					
Current:					
Instruction	-	-	-	500	758
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	<u>4,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,976</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>758</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,510</u>	<u>401</u>	<u>9,703</u>
Other financing uses:					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	1,510	401	9,703
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,510</u>	<u>\$ 401</u>	<u>\$ 9,703</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	Special Revenue Funds				
	Gear Up	Outdoor Classroom Experience	CS Grant	City/County Grants	Total Nonmajor Special Revenue
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 309,314
Federal direct grants	-	-	-	-	299,205
Food and milk reimbursements	-	-	-	-	145,022
USDA Commodities	-	-	-	-	11,642
State sources:					
State grant	1,643	525	-	-	93,872
Local sources:					
Grant	-	-	7,047	1	56,516
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	55,022
Earnings from investments	1	-	-	-	184
Miscellaneous	-	-	-	-	<u>1,245</u>
Total revenue	<u>1,644</u>	<u>525</u>	<u>7,047</u>	<u>1</u>	<u>972,022</u>

(continued)

	<u>Gear Up Fund</u>	<u>Outdoor Classroom Experience Fund</u>	<u>CS Grant Fund</u>	<u>City/County Grants Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
Expenditures:					
Current:					
Instruction	-	-	1,505	1	298,871
Support Services - Students	-	-	-	-	273,098
Support Services - Instruction	-	-	-	-	70,384
Support Services - General Administration	-	-	-	-	15,549
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	191,895
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,497</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>1,505</u>	<u>1</u>	<u>857,294</u>
Excess (deficiency) of revenues over expenditures	<u>1,644</u>	<u>525</u>	<u>5,542</u>	<u>-</u>	<u>114,728</u>
Other financing uses:					
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,152</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,152</u>
Net change in fund balance	1,644	525	5,542	-	115,880
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,083</u>
Fund balance at end of the year	<u>\$ 1,644</u>	<u>\$ 525</u>	<u>\$ 5,542</u>	<u>\$ -</u>	<u>\$ 122,963</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2010

	<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>		
	Ed Technology Equipment Act <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Debt Service <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 309,314
Federal direct grants	-	-	-	-	299,205
Food and milk reimbursements	-	-	-	-	145,022
USDA Commodities	-	-	-	-	11,642
State sources:					
State grant	-	-	-	-	93,872
Local sources:					
Grant	-	-	-	-	56,516
District school tax levy	-	-	-	857	857
Fees and activities	-	-	-	-	55,022
Earnings from investments	572	-	572	418	1,174
Miscellaneous	-	-	-	-	1,245
Total revenue	<u>572</u>	<u>-</u>	<u>572</u>	<u>1,275</u>	<u>973,869</u>

(continued)

	Ed Technology Equipment Act <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Debt Service <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	298,871
Support Services - Students	-	-	-	-	273,098
Support Services - Instruction	-	-	-	-	70,384
Support Services - General Administration	-	-	-	12	15,561
Operations & Maintenance of Plant	83,927	-	83,927	-	83,927
Food Services	-	-	-	-	191,895
Capital outlay	<u>-</u>	<u>26,349</u>	<u>26,349</u>	<u>-</u>	<u>33,846</u>
Total expenditures	<u>83,927</u>	<u>26,349</u>	<u>110,276</u>	<u>12</u>	<u>967,582</u>
Excess (deficiency) of revenues over expenditures	<u>(83,355)</u>	<u>(26,349)</u>	<u>(109,704)</u>	<u>1,263</u>	<u>6,287</u>
Other financing uses:					
Transfers in	(1,152)	-	(1,152)	-	(1,152)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186,746)</u>	<u>(185,594)</u>
Total other financing uses	<u>(1,152)</u>	<u>-</u>	<u>(1,152)</u>	<u>(186,746)</u>	<u>(186,746)</u>
Net change in fund balance	(84,507)	(26,349)	(110,856)	(185,483)	(180,459)
Fund balance at beginning of the year	<u>572,696</u>	<u>26,349</u>	<u>599,045</u>	<u>187,177</u>	<u>793,305</u>
Fund balance at end of the year	<u>\$ 488,189</u>	<u>\$ -</u>	<u>\$ 488,189</u>	<u>\$ 1,694</u>	<u>\$ 612,846</u>

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BUDGETARY PRESENTATION

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010

FOOD SERVICES

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

TITLE I

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

ENTITLEMENT/DISCRETIONARY IDEA-B

The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

TITLE II MATH/SCIENCE

The Title II math, science and core academic areas project provides funds to carry out a math skills control system for grades kindergarten through eighth. The project is funded by the Federal Government through the State of New Mexico Department of Education, under the Elementary and Secondary Education Act of 1965, Title II, Part A, Public Law 100-297, as amended, Public Law 101-589.

IDEA-B "RISK POOL"

The IDEA-B "Risk Pool" program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010

TITLE II TEACHER QUALITY

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

TITLE IV DRUG FREE SCHOOLS

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

ARRA – TITLE I

Use of funds varies, depending on whether a school is operating a schoolwide program under Title I, section 1114 of ESEA or a targeted assistance program under Section 1115 of the ESEA. A school with at least a 40 percent poverty rate may choose to operate a schoolwide program under Section 1114 that allows Title I funds to be combined with other Federal, State, and local funds to upgrade the school's overall instructional program. Schoolwide program schools must receive the amount of non-Federal resources they would have received in the absence of Title I funds. All other participating schools must operate targeted assistance programs that provide extra instruction to those children failings, or most at risk of failing, to meet State academic achievement standards. Targeted assistance programs must ensure that Title I services supplement, and do not supplant the regular education programs normally provided with non-Federal funds by local educational agencies. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate, which is referenced under 34 CFR 76.564-76.569. Authorization: Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A, 20 U.S.C. 6301 et seq. and the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5.

ARRA – ENTITLEMENT IDEA-B

Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010

ARRA – PRESCHOOL IDEA-B

Funds are used: (1) to provide a free appropriate public education (FAPE) to preschool children with disabilities ages 3 through 5, and at the State's discretion, to 2-year-old children with disabilities who will reach age 3 during the next school year; (2) to administer section 619; and (3) for support services, direct services, activities to meet the State's performance goals, to supplement other funds used for a Statewide coordinated service system designed to improve results for children and families, to provide early intervention services in accordance with Part C to children ages 3 through 5 who would otherwise be eligible under the Preschool Grants program, and to continue service coordination or case management for families who receive services under Part C. Authorization: Individuals with Disabilities Education Act (IDEA), as amended, , Part B, Section 619, 20 U.S.C 1419; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5.

TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

TEACHER QUALITY ENHANCEMENT

To improve student achievement; improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities; hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, foreign language, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom; and recruit highly qualified individuals, including individuals from other occupations, into the teaching force. Authorization granted under Higher Education Act of 1965, Title II, Part A, Public Law 105-244.

RURAL EDUCATION ACHIEVEMENT

To account for funds received under the Small Rural School Achievement Program to enhance education.

ARRA – STATE REVITALIZATION

To support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies. Authorization: American Recovery and Reinvestment Act of 2009 (ARRA), Division A, Title XIV, Public Law 111-5.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010

INTEL FOUNDATION GRANT

To help students in learning through the application and design.

PNM FOUNDATION

Classroom innovation grant for the purpose of "Books 'N More." Authority for creation is a grant from PNM.

TURNER FOUNDATION

To enhance the curriculum by utilizing nontraditional teaching methods (real life learning).

MICROSOFT SETTLEMENT

For qualifying schools to purchase computer hardware, software and professional development services.

A PLUS FOR ENERGY

To assist high school lab based science courses in the study of energy resources.

DUAL CREDIT INSTRUCTIONAL MATERIALS

To provide instructional materials to be used for a dual credit course approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

GO BOND LIBRARY

To provide funds for improvement or acquisition and to acquire library books and library resources to support the library program.

TECHNOLOGY FOR EDUCATION

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

INCENTIVE FOR SCHOOL IMPROVEMENT

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010**

LIBRARIES GO BOND 2004

Funding made available to update and expand library collections.

MID-SCHOOL TUTORING & STUDENT ENHANCEMENT

To assist in the success rate of students by providing after-school tutoring.

BEGINNING TEACHER MENTORING

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

OUTDOOR CLASSROOM INITIATIVE

For curriculum-based or service-learning outdoor educational programming and projects

RURAL REVITALIZATION

To assist the “Barn” project at Eagle Nest Elementary/Middle School.

NM OUTDOOR CLASSROOM

To provide curriculum-based or service-learning outdoor educational programming, transportation of students to outdoor education sites, and teacher professional development at Eagle Nest Elementary/Middle School.

LIBRARY BOOKS

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

NM ARTS

To account for the grants reserved from the NM Arts.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2010

CENTER FOR TEACHING EXCELLENCE

To promote collaboration between public school teachers and university faculty.

GEAR UP

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

OUTDOOR CLASSROOM EXPERIENCE

To complete a rigorous academic-based outdoor classroom learning experience that is directly related to classroom study.

CS FOUNDATION

To assist the school in providing educational services.

CITY/COUNTY GRANTS

To assist the school in providing educational services.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FOOD SERVICE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 127,278	\$ 127,278	\$ 145,022	\$ 17,744
State sources:				
State grant	1,893	1,893	1,706	(187)
Local sources:				
Fees and activities	54,620	54,620	41,402	(13,218)
Earnings from investments	-	-	24	24
Miscellaneous	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
Total revenues	183,791	183,791	188,163	4,372
Expenditures:				
Current:				
Food Services Operations	<u>184,646</u>	<u>184,646</u>	<u>183,575</u>	<u>1,071</u>
Excess (deficiency) of revenues over expenditures	(855)	(855)	4,588	5,443
Beginning cash balance budgeted	855	855	-	(855)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>4,630</u>	<u>4,630</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>9,218</u>	<u>\$ 9,218</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			<u>3,322</u>	
			<u>\$ 12,540</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ATHLETICS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 17,000	\$ 17,000	\$ 13,620	\$ (3,380)
Earnings from investments	<u> -</u>	<u> -</u>	<u> 9</u>	<u> 9</u>
Total revenues	17,000	17,000	13,629	(3,371)
Expenditures:				
Current:				
Instruction	<u>18,237</u>	<u>18,237</u>	<u>5,668</u>	<u>12,569</u>
Excess (deficiency) of revenues over expenditures	(1,237)	(1,237)	7,961	9,198
Beginning cash balance budgeted	1,237	1,237	-	(1,237)
Fund balance at beginning of the year	<u> -</u>	<u> -</u>	<u>2,453</u>	<u>2,453</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	10,414	<u><u>\$ 10,414</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u> -</u>	
			<u>\$ 10,414</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE I SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 83,944	\$ 97,077	\$ 98,143	\$ 1,066
Expenditures:				
Current:				
Instruction	69,560	69,168	63,366	5,802
Support Services - Instruction	10,386	23,911	23,907	4
Support Services - School Administration	<u>3,998</u>	<u>3,998</u>	<u>3,232</u>	<u>766</u>
Total expenditures	<u>83,944</u>	<u>97,077</u>	<u>90,505</u>	<u>6,572</u>
Excess of revenues over expenditures	-	-	7,638	7,638
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,638	<u>\$ 7,638</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(7,638)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 164,922	\$ 112,042	\$ (52,880)
Expenditures:				
Current:				
Instruction	-	132,647	72,910	59,737
Support Services - Students	-	18,806	17,121	1,685
Support Services - School Administration	-	13,469	12,316	1,153
Total expenditures	-	164,922	102,347	62,575
Excess of revenues over expenditures	-	-	9,695	9,695
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	9,695	\$ 9,695
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(9,518)	
Change in payables			(177)	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PRESCHOOL IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 12,777	\$ 8,514	\$ (4,263)
Expenditures:				
Current:				
Instruction	-	12,777	10,101	2,676
Excess (deficiency) of revenues over expenditures	-	-	(1,587)	(1,587)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,587)	<u>\$ (1,587)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,587</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II (MATH/SCIENCE) SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

IDEA-B "RISK POOL" SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 1,206	\$ -	\$ (1,206)
Expenditures:				
Current:				
Support Services - Students	-	1,206	-	1,206
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II TEACHER QUALITY SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 23,032	\$ 46,496	\$ 6,110	\$ (40,386)
Expenditures:				
Current:				
Instruction	6,784	30,248	6,783	23,465
Support Services - Students	<u>16,248</u>	<u>16,248</u>	-	<u>16,248</u>
Total expenditures	<u>23,032</u>	<u>46,496</u>	<u>6,783</u>	<u>39,713</u>
Excess (deficiency) of revenues over expenditures	-	-	(673)	(673)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(673)	<u>\$ (673)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>673</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 2,072	\$ 1,550	\$ (522)
 Expenditures:				
Current:				
Instruction	-	2,072	1,550	522
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - TITLE I SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 21,737	\$ 37,865	\$ 35,291	\$ (2,574)
Expenditures:				
Current:				
Support Services - Students	-	122	-	122
Support Services - Instruction	21,737	37,743	37,736	7
Total expenditures	21,737	37,865	37,736	129
Excess (deficiency) of revenues over expenditures	-	-	(2,445)	(2,445)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,445)	\$ (2,445)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,445	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 58,174	\$ 124,614	\$ 66,440
Expenditures:				
Current:				
Support Services - Students	-	58,174	58,174	-
Excess of revenues over expenditures	-	-	66,440	66,440
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	66,440	<u>\$ 66,440</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(66,440)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - PRESCHOOL IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 2,202	\$ 1,565	\$ (637)
 Expenditures:				
Current:				
Instruction	-	2,202	1,941	261
Excess (deficiency) of revenues over expenditures	-	-	(376)	(376)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(376)	<u>\$ (376)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			564	
Change in deferred revenue			<u>(188)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE XIX MEDICAID SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 12,096	\$ 19,806	\$ 14,302	\$ (5,504)
Expenditures:				
Current:				
Instruction	500	5,210	285	4,925
Support Services - Students	11,596	11,596	11,496	100
Capital outlay:				
Equipment	-	3,000	2,521	479
Total expenditures	12,096	19,806	14,302	5,504
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TEACHER QUALITY ENHANCEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	12,728	2,920	9,808
Excess (deficiency) of revenues over expenditures	-	(12,728)	(2,920)	9,808
Beginning cash balance budgeted	-	12,728	-	(12,728)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,920)	\$ (2,920)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,157	
Change in payables			(237)	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL EDUCATION ACHIEVEMENT PROGRAM SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 56,760	\$ 17,278	\$ (39,482)
Expenditures:				
Current:				
Support Services - Students	-	56,760	20,661	36,099
Excess (deficiency) of revenues over expenditures	-	-	(3,383)	(3,383)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,383)	<u>\$ (3,383)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>3,383</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - STATE REVITALIZATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 311,078	\$ 363,698	\$ 232,834	\$ (130,864)
Local sources:				
Earnings from investments	-	-	1,236	1,236
Total revenues	311,078	363,698	234,070	(129,628)
Expenditures:				
Current:				
Instruction	98,103	150,723	96,674	54,049
Support Services - Students	212,975	212,975	165,646	47,329
Total expenditures	311,078	363,698	262,320	101,378
Excess (deficiency) of revenues over expenditures	-	-	(28,250)	(28,250)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(28,250)	\$ (28,250)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			28,250	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INTEL FOUNDATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	1	-	1
Excess (deficiency) of revenues over expenditures	-	(1)	-	1
Beginning cash balance budgeted	-	1	-	(1)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PNM FOUNDATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	1	1	-
Excess (deficiency) of revenues over expenditures	-	(1)	(1)	-
Beginning cash balance budgeted	-	1	-	(1)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>1</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TURNER FOUNDATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 45,014	\$ 15,000	\$ (30,014)
Earnings from investments	<u>-</u>	<u>-</u>	<u>58</u>	<u>58</u>
Total revenues	-	45,014	15,058	(29,956)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>45,014</u>	<u>17,697</u>	<u>27,317</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,639)	(2,639)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(2,639)</u>	<u><u>\$ (2,639)</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			120	
Change in deferred revenue			<u>29,894</u>	
			<u><u>\$ 27,375</u></u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

MICROSOFT SETTLEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	2	2	-
Excess (deficiency) of revenues over expenditures	-	(2)	(2)	-
Beginning cash balance budgeted	-	2	-	(2)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2)	<u>\$ (2)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>2</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

A PLUS FOR ENERGY SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 9	\$ 9
 Expenditures:				
Current:				
Instruction	-	4,524	1,823	2,701
Excess (deficiency) of revenues over expenditures	-	(4,524)	(1,814)	2,710
Beginning cash balance budgeted	-	4,524	-	(4,524)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,814)	\$ (1,814)
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			4,572	
			\$ 2,758	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 1,200	\$ 325	\$ (875)
Expenditures:				
Current:				
Instruction	-	1,200	325	875
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GO BOND LIBRARY SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 15,752	\$ 1,283	\$ (14,469)
Expenditures:				
Current:				
Support Services - Instruction	-	15,792	8,741	7,051
Excess (deficiency) of revenues over expenditures	-	(40)	(7,458)	(7,418)
Beginning cash balance budgeted	-	40	-	(40)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(7,458)	\$ (7,458)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,458	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 3,421	\$ 3,421
Local sources:				
Earnings from investments	-	-	19	19
Total revenues	-	-	3,440	3,440
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	3,440	3,440
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,440	<u>\$ 3,440</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			1,152	
Change in deferred revenue			<u>6,729</u>	
			<u>\$ 11,321</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	-	-	32	32
 Expenditures:				
Current:				
Instruction	-	31,000	5,777	25,223
Excess (deficiency) of revenues over expenditures	-	(31,000)	(5,745)	25,255
Beginning cash balance budgeted	-	31,000	-	(31,000)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(5,745)	\$ (5,745)
 RECONCILIATION TO GAAP BASIS:				
Change in payables			2,740	
Change in deferred revenue			28,261	
			\$ 25,256	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATE SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>1,075</u>	
			<u>\$ 1,075</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARIES GO BOND 2004 SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	1	1	-
Excess (deficiency) of revenues over expenditures	-	(1)	(1)	-
Beginning cash balance budgeted	-	1	-	(1)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>1</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

MID-SCHOOL TUTORING & STUDENT ENHANCE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			5,996	
			\$ 5,996	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 2,135	\$ 4,272	\$ 2,137
Local sources:				
Earnings from investments	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Total revenues	-	2,135	4,287	2,152
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>16,889</u>	<u>10,728</u>	<u>6,161</u>
Excess (deficiency) of revenues over expenditures	-	(14,754)	(6,441)	8,313
Beginning cash balance budgeted	-	14,754	-	(14,754)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,441)	<u>\$ (6,441)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>10,741</u>	
			<u>\$ 4,300</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 2,602	\$ 2,602	\$ -
Local sources:				
Miscellaneous	-	-	1	1
Total revenues	-	2,602	2,603	1
Expenditures:				
Current:				
Food Services Operations	-	2,602	-	2,602
Excess of revenues over expenditures	-	-	2,603	2,603
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,603	<u>\$ 2,603</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 2,603</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OUTDOOR CLASSROOM INITIATIVE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 1,597	\$ 1,597
Expenditures:				
Current:				
Instruction	-	1	1	-
Excess (deficiency) of revenues over expenditures	-	(1)	1,596	1,597
Beginning cash balance budgeted	-	1	-	(1)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,596	<u>\$ 1,596</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(1,596)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL REVITALIZATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 5,000	\$ 14,976	\$ 9,976
Expenditures:				
Capital outlay:				
Construction in progress	-	5,000	4,976	24
Excess of revenues over expenditures	-	-	10,000	10,000
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10,000	<u>\$ 10,000</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(10,000)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NM OUTDOOR CLASSROOM SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 999	\$ 999
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	999	999
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	999	<u>\$ 999</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(999)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARY BOOKS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 2	\$ 2
 Expenditures:				
Current:				
Support Services - Instruction	-	1,508	-	1,508
 Excess (deficiency) of revenues over expenditures	-	(1,508)	2	1,510
 Beginning cash balance budgeted	-	1,508	-	(1,508)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>1,508</u>	
			<u>\$ 1,510</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NM ARTS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 6	\$ 6
Expenditures:				
Current:				
Instruction	-	896	500	396
Excess (deficiency) of revenues over expenditures	-	(896)	(494)	402
Beginning cash balance budgeted	-	896	-	(896)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(494)	\$ (494)
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			895	
			\$ 401	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CENTER FOR TEACHING EXCELLENCE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 7	\$ 7
Expenditures:				
Current:				
Instruction	-	10,454	758	9,696
Excess (deficiency) of revenues over expenditures	-	(10,454)	(751)	9,703
Beginning cash balance budgeted	-	10,454	-	(10,454)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(751)	\$ (751)
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			10,454	
			\$ 9,703	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GEAR UP SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	-	-	1	1
 Expenditures:				
Current:				
Instruction	-	1,643	-	1,643
Excess (deficiency) of revenues over expenditures	-	(1,643)	1	1,644
Beginning cash balance budgeted	-	1,643	-	(1,643)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	1	\$ 1
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			1,643	
			\$ 1,644	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OUTDOOR CLASSROOM EXPERIENCE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	525	-	525
Excess (deficiency) of revenues over expenditures	-	(525)	-	525
Beginning cash balance budgeted	-	525	-	(525)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			525	
			\$ 525	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CS GRANT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 3,000	\$ 3,005	\$ 5
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>7,041</u>	<u>1,505</u>	<u>5,536</u>
Excess (deficiency) of revenues over expenditures	-	(4,041)	1,500	5,541
Beginning cash balance budgeted	-	4,041	-	(4,041)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,500	<u>\$ 1,500</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>4,042</u>	
			<u>\$ 5,542</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CITY/COUNTY GRANTS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	1	1	-
Excess (deficiency) of revenues over expenditures	-	(1)	(1)	-
Beginning cash balance budgeted	-	1	-	(1)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>1</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL PROJECTS FUNDS
June 30, 2010

CAPITAL IMPROVEMENTS HB – 33

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

CAPITAL IMPROVEMENTS SB – 9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

ED TECHNOLOGY EQUIPMENT ACT

This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.

PUBLIC SCHOOL CAPITAL OUTLAY - 20%

A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS HB-33 CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
District school tax levy	\$ 1,281,862	\$ 1,281,862	\$ 1,089,683	\$ (192,179)
Earnings from investments	<u>12,000</u>	<u>12,000</u>	<u>2,113</u>	<u>(9,887)</u>
Total revenues	<u>1,293,862</u>	<u>1,293,862</u>	<u>1,091,796</u>	<u>(202,066)</u>
Expenditures:				
Current:				
Support Services - General Administration	12,818	12,818	9,243	3,575
Capital outlay:				
Construction in progress	<u>2,728,361</u>	<u>1,800,001</u>	<u>344,641</u>	<u>1,455,360</u>
Total expenditures	<u>2,741,179</u>	<u>1,812,819</u>	<u>353,884</u>	<u>1,458,935</u>
Excess (deficiency) of revenues over expenditures	(1,447,317)	(518,957)	737,912	1,256,869
Special item	<u>-</u>	<u>(928,360)</u>	<u>(928,360)</u>	<u>-</u>
Net change in fund balance	(1,447,317)	(1,447,317)	(190,448)	1,256,869
Beginning cash balance budgeted	1,447,317	1,447,317	-	(1,447,317)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,476,636</u>	<u>1,476,636</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,286,188</u>	<u>\$ 1,286,188</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			34,180	
Change in due from other governments			15,429	
Change in deferred property taxes			<u>(28,880)</u>	
			<u>\$ 1,306,917</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 854,651	\$ 854,651	\$ 848,459	\$ (6,192)
Earnings from investments	<u>6,000</u>	<u>6,000</u>	<u>3,041</u>	<u>(2,959)</u>
Total revenues	<u>860,651</u>	<u>860,651</u>	<u>851,500</u>	<u>(9,151)</u>
Expenditures:				
Current:				
Support Services - General Administration	8,546	8,546	7,372	1,174
Operation & Maintenance of Plant	525,000	682,000	276,705	405,295
Capital outlay:				
Equipment	346,000	346,000	126,877	219,123
Construction in progress	<u>1,196,570</u>	<u>1,039,570</u>	<u>326,839</u>	<u>712,731</u>
Total expenditures	<u>2,076,116</u>	<u>2,076,116</u>	<u>737,793</u>	<u>1,338,323</u>
Excess (deficiency) of revenues over expenditures	(1,215,465)	(1,215,465)	113,707	1,329,172
Beginning cash balance budgeted	1,215,465	1,215,465	-	(1,215,465)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,106,502</u>	<u>2,106,502</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,220,209</u>	<u>\$ 2,220,209</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			50,482	
Change in due from other governments			16,717	
Change in payables			741	
Change in deferred property taxes			<u>(47,005)</u>	
			<u>\$ 2,241,144</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 572	\$ 572
Expenditures:				
Current:				
Operation & Maintenance of Plant	429,601	429,601	89,522	340,079
Capital outlay:				
Equipment	<u>150,000</u>	<u>150,000</u>	-	<u>150,000</u>
Total expenditures	<u>579,601</u>	<u>579,601</u>	<u>89,522</u>	<u>490,079</u>
Excess (deficiency) of revenues over expenditures	(579,601)	(579,601)	(88,950)	490,651
Beginning cash balance budgeted	579,601	579,601	-	(579,601)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>572,696</u>	<u>572,696</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>483,746</u>	<u>\$ 483,746</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>4,443</u>	
			<u>\$ 488,189</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PUBLIC SCHOOL CAPITAL OUTLAY - 20% CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Capital outlay:				
Equipment	<u>26,349</u>	<u>26,349</u>	<u>26,349</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(26,349)	(26,349)	(26,349)	-
Beginning cash balance budgeted	26,349	26,349	-	(26,349)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>26,349</u>	<u>26,349</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ -</u>	

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUNDS
June 30, 2010

DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with general obligation bonds.

EDUCATION TECHNOLOGY DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ 700	\$ 1,214	\$ 514
Earnings from investments	<u>-</u>	<u>-</u>	<u>418</u>	<u>418</u>
Total revenues	<u>-</u>	<u>700</u>	<u>1,632</u>	<u>932</u>
Expenditures:				
Current:				
Support Services - General Administration	-	700	12	688
Debt service:				
Reserves	<u>186,313</u>	<u>186,313</u>	<u>-</u>	<u>186,313</u>
Total expenditures	<u>186,313</u>	<u>187,013</u>	<u>12</u>	<u>187,001</u>
Excess (deficiency) of revenues over expenditures	(186,313)	(186,313)	1,620	187,933
Beginning cash balance budgeted	186,313	186,313	-	(186,313)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>187,177</u>	<u>187,177</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>188,797</u>	<u>\$ 188,797</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			23,110	
Change in due from other governments			(26)	
Change in deferred property taxes			<u>(23,441)</u>	
			<u>\$ 1,694</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

EDUCATION TECHNOLOGY DEBT SERVICE FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 661,625	\$ 663,388	\$ 947,854	\$ 284,466
Expenditures:				
Current:				
Support Services - General Administration	6,616	8,379	8,378	1
Debt service:				
Principal retirement	600,000	600,000	600,000	-
Bond interest paid	61,625	61,625	61,625	-
Reserves	<u>337,223</u>	<u>337,223</u>	<u>-</u>	<u>337,223</u>
Total expenditures	<u>1,005,464</u>	<u>1,007,227</u>	<u>670,003</u>	<u>337,224</u>
Excess (deficiency) of revenues over expenditures	(343,839)	(343,839)	277,851	621,690
Beginning cash balance budgeted	343,839	343,839	-	(343,839)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>247,875</u>	<u>247,875</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	525,726	<u>\$ 525,726</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			982,163	
Change in due from other governments			20,854	
Change in deferred property taxes			<u>(971,119)</u>	
			<u>\$ 557,624</u>	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2010

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2010</u>
000	Activities	\$ 33	\$ 279	\$ 312		\$ -
100	Pay Pal E-Store	219	515	508		226
400	Annual Yearbook	7,390	2,799	2,606		7,583
402	High School Art	977	1,599	860		1,716
403	Booster Club	1,970	38,336	24,361		15,945
405	Juan Martinez Scholarship	17,732	4,018	1,000		20,750
406	CHS Cheerleaders	1,345	2,435	1,931		1,849
407	High School Photography	204	201	402		3
408	Elementary MOP	5,559	1,877	2,545		4,891
409	Elementary Yearbook	840	1,110	1,098		852
410	Elementary Principal	705	4,594	3,575		1,724
411	Elementary Art	979	1,200	1,224		955
412	PeeWee Basketball	3,920	1,496	740		4,676
413	Elementary Athletics	12	-	12		-
414	Elementary Reading	326	1	-		327
415	Class of 2012	1,083	3,494	2,645		1,932
416	District Nurse	172	250	359		63
417	Class of 2010	2,875	290	2,737		428
419	Class of 2011	2,344	2,713	2,076		2,981
424	CMS Student Council	201	405	258		348
426	ENEMS Principal	3,934	9,975	6,376		7,533
428	MS Barn Fund	5,966	2,775	4,641		4,100
429	Universal Classroom	625	1	-		626
430	MS Art	249	21	-		270
431	MS Yearbook	2,984	2,460	2,213		3,231
433	ENEMS Student Bran	700	345	1,045		-
434	MS Student Council	344	126	40		430
438	MS Spanish Club	139	-	-		139
440	HS Principal	903	4,200	4,113		990
442	HS Student Council	83	4,710	4,113		680
446	Band-Music	3,875	17,418	19,953		1,340
449	HS Exploratory	314	1	77		238
450	HS National Honor Society	\$ 614	\$ 159	\$ 297		\$ 476

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2010

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2010</u>
451	Ram's Horn	\$ 3,969	\$ 5	\$ -		\$ 3,974
454	RHOR	640	564	620		584
454	HS Shop	137	624	570		191
455	HS Laser Shop/Business	1,333	891	629		1,595
458	Elementary VIP's	3,120	1,839	2,707		2,252
460	Zane Scholarship	11,958	11,904	11,769		12,093
461	100 Years of Excellence	-	314	-		314
463	ENEMS Library	472	28	-		500
464	ENEMS K-2 Teachers	893	5,912	6,061		744
465	ENEMS 3-4 Teachers	183	6,393	6,022		554
470	MS FCA	838	1	-		839
476	HS FCA	367	1	-		368
479	HS Graphic Art	1,526	301	1,762		65
481	CHS Rams E-Store	880	1,568	619		1,829
482	CHS Broadcast	1,010	-	1,000		10
483	Culinary Arts	221	314	301		234
485	ENEMS Beta Club	377	-	-		377
487	WERC Environmental Design	<u>438</u>	<u>1</u>	<u>80</u>		<u>359</u>
	Pooled cash and investments	<u>\$ 97,978</u>	<u>\$ 140,463</u>	<u>\$ 124,257</u>		<u>\$ 114,184</u>
	LIABILITIES					
	Deposits held for others	<u>\$ 97,978</u>	<u>\$ 140,463</u>	<u>\$ 124,257</u>		<u>\$ 114,184</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2010

	<u>International Bank</u>
Cash on deposit at June 30, 2010	\$ 5,433,747
Less FDIC coverage	<u>250,000</u>
Uninsured funds	<u>\$ 5,183,747</u>
50% collateral requirement	\$ 2,591,874
Pledged collateral	<u>2,887,584</u>
Excess (deficiency) of pledged collateral	<u>\$ 295,710</u>

Pledged collateral of financial institutions consists of the following at June 30, 2010

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Wells Fargo Bank:			
FHLB	8/16/2010	3133XCSY0	\$ 100,690
FHLB	8/16/2010	3133XCSY0	25,172
FHLB	9/17/2010	3133X4LX7	378,337
FHLB	12/10/2010	31339X4H4	127,737
FHLB	9/9/2011	3133XF5T9	368,340
West Las Vegas SD #1	12/1/2011	953769GH3	93,960
Questa SD #9	7/15/2012	748352CK5	205,840
West Las Vegas SD #1	12/1/2012	953769GJ9	101,612
FHLB	12/14/2012	3133XDTB7	680,375
FFCB	12/12/2013	31331TMU2	749,751
FHLB	6/3/2014	3133KKTV7	<u>55,770</u>
			<u>\$ 2,887,584</u>

The above securities are held at Federal Reserve Bank in Denver, CO.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION
June 30, 2010

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 146,627	\$ 31,097,027	\$ (31,345,879)	\$ 186,746	\$ 84,521	\$ -	\$ 84,521
Transportation	63,556	587,921	(461,337)	(2)	190,138	-	190,138
Instructional Materials	52,297	18,968	(51,018)	-	20,247	-	20,247
Food Services	4,303	190,402	(185,814)	-	8,891	-	8,891
Athletics	2,453	14,216	(6,255)	-	10,414	-	10,414
Federal Flowthrough Funds	(43,777)	704,519	(626,088)	(25,730)	8,924	-	8,924
Federal Direct Funds	12,728	396,544	(431,195)	97	(21,826)	-	(21,826)
Local Grants	34,589	15,399	(19,855)	-	30,133	-	30,133
State Flowthrough Funds	45,608	32,216	(33,221)	-	44,603	-	44,603
State Direct Funds	13,517	197	(1,441)	-	12,273	-	12,273
Local/State	4,042	3,005	(1,505)	-	5,542	-	5,542
Capital Improvements HB-33	1,438,552	1,093,147	(1,283,596)	-	1,248,103	-	1,248,103
Capital Improvements SB-9	1,963,256	877,341	(763,634)	(9,818)	2,067,145	132,859	2,200,004
Ed Technology Equipment Act	577,139	396,492	(485,442)	-	488,189	-	488,189
Public School Capital Outlay - 20%	26,349	-	(26,349)	-	-	-	-
Debt Service	186,746	1,646	(25)	(186,746)	1,621	-	1,621
Education Technology Debt Service	230,405	1,332,925	(1,055,075)	-	508,255	-	508,255
Agency Funds	-	-	-	-	-	114,184	114,184
Total	\$ 4,758,390	\$ 36,761,965	\$ (36,777,729)	\$ (35,453)	\$ 4,707,173	\$ 247,043	\$ 4,954,216

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:	
Operational	Checking	International Bank	\$ 72,082	Agency Funds	\$ 114,184
Payroll Clearing	Checking	International Bank	-	Certificates of deposit	132,859
Debt Service	Checking	International Bank	509,876	Total adjustment to the report	<u>\$ 247,043</u>
Athletics	Checking	International Bank	10,414		
Cafeteria	Checking	International Bank	20,636	Adjustments to cash:	
Federal	Checking	International Bank	48,199	Bank Balance	\$ 5,433,747
State/Local Grant	Checking	International Bank	94,650	Outstanding deposits	-
Activities	Checking	International Bank	105,081	Outstanding checks	(479,531)
SB-9	Checking	International Bank	2,126,163	Reconciling errors	-
Special Investment	Checking	International Bank	544,004	Total adjustment to cash	<u>\$ 4,954,216</u>
Ed Tech Bond	Checking	International Bank	496,828		
HB 33	Checking	International Bank	1,260,928		
SB-9 CD	CD	International Bank	132,858		
Zane Scholarship	CD	International Bank	11,803		
CHS E-Store	Checking	International Bank	225		
Total			<u>\$ 5,433,747</u>		

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SINGLE AUDIT 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**

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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, State Auditor
and the Board of Education
Cimarron Municipal School District No. 3

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund, and the combining and individual funds and the related budgetary comparisons presented as supplemental information of Cimarron Municipal School District No. 3 as of and for the year ended June 30, 2010, and have issued our report thereon dated October 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cimarron Municipal School District No. 3's internal control over financial reporting as a basis for designing 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 Cimarron Municipal School District No. 3's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3'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 and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been found. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Findings C2010-1, F2010-2, F2010-3, and F2010-7.

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Hector H. Balderas, State Auditor
and the Board of Education
Cimarron Municipal School District No. 3

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Findings 2010-1, 2010-3, F2010-1, F2010-4, F2010-5, and F2010-6.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cimarron Municipal School District No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items Findings 2010-1, 2010-2, 2010-3, C2010-1, and F2010-1 through F2010-7.

Cimarron Municipal School District No. 3's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Cimarron Municipal School District No. 3's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education of Cimarron Municipal School District No. 3, others within Cimarron Municipal School District No. 3, the audit committee, the State Auditor, the New Mexico Legislature, the New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Keystone Accounting, LLC

October 22, 2010

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector H. Balderas, State Auditor
And the Board of Education
Cimarron Municipal School District No. 3

Compliance

We have audited Cimarron Municipal School District No. 3's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* (Revised June, 2010) that could have a direct and material effect on each of Cimarron Municipal School District No. 3's major federal programs for the year ended June 30, 2010. Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's management. Our responsibility is to express an opinion on Cimarron Municipal School District No. 3'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; 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 Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's compliance with those requirements.

In our opinion, Cimarron Municipal School District No. 3, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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Hector H. Balderas, State Auditor
And the Board of Education
Cimarron Municipal School District No. 3

Internal Control Over Compliance

Management of Cimarron Municipal School District No. 3 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 Cimarron Municipal School District No. 3's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A -133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cimarron Municipal School District No. 3's internal control over compliance.

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

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

This report is intended solely for the information and use of management, others within the Cimarron Municipal School District No. 3, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Keystone Accounting, LLC

October 22, 2010

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2010

A. PRIOR YEAR AUDIT FINDINGS

CIMARRON MUNICIPAL SCHOOLS

No findings to report.

MORENO VALLEY HIGH SCHOOL

C2008 – 2 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Current Status: Resolved – Not repeated in the current year.

C2009 – 2 UNAUTHORIZED TRANSFER OF CASH

Current Status: Not Resolved – Repeated in the current year as Finding F2009 –3.

MORENO VALLEY EDUCATION FOUNDATION

F2007 – 3 UNTIMELY DEPOSITS

Current Status: Not Resolved – Repeated in the current year as Finding F2010 – 4.

F2009 – 1 FORM 1099s WERE NOT ISSUED

Current Status: Resolved – Not repeated in the current year.

F2009 – 2 PAYMENTS TO LOBBYIST

Current Status: Resolved – Not repeated in the current year.

F2009 – 4 BANK ACCOUNT RECONCILIATIONS WERE MISREPRESENTED

Current Status: Not Resolved – Repeated in the current year as Finding F2010 – 3.

F2007 – 5 UNTIMELY CAPITAL ASSETS SCHEDULE

Current Status: Resolved – Not repeated in the current year.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Cimarron Municipal School District No. 3.
2. There were eleven significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were four significant deficiencies considered to be material weaknesses.
3. Four instances of noncompliance material to the financial statements of Cimarron Municipal School District No. 3 were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Cimarron Municipal School District No. 3 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Cimarron Municipal School District No. 3 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include: USDA Child Nutrition Cluster CFDA# 10.553 and 10.555; IDEA-B Cluster CFDA# 84.027, 84.173, 84.391, and 84.392, and ARRA – State Revitalization CFDA# 84.394.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Cimarron Municipal School District No. 3 was determined to be a high risk auditee.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

CIMARRON MUNICIPAL SCHOOLS

2010 – 1 INSUFFICIENT PLEDGED COLLATERAL

Condition: Of three months tested, pledged collateral fair value was not sufficient to cover bank balances in one month.

Criteria: According to New Mexico State Statute (NMSA 1978) 6-10-16, “Deposits of public money shall be secured by (1) securities of the United States...(2) securities of the state of New Mexico...(3) securities. that are guaranteed by the United States or the State of New Mexico, (4) revenue bonds that are underwritten by a member of the national association of securities dealers (NASD) and are rated “BAA”, (5) letters of credit issued by a federal home loan bank.”

Effect of condition: The assignment of securities as collateral of public monies that do not meet the state statute requirements has resulted, leaving the school district’s deposits inadequately guaranteed in case of bank failure.

Recommendation: It is the responsibility of management to insure that adequate safekeeping of the district’s assets is maintained. As part of its fiscal responsibility, management should work closely with its depository banks to closely monitor types and amounts of collateral to meet the state requirements.

Management Response: Management will work closely with the depository bank and will monitor amounts of collateral.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

CIMARRON MUNICIPAL SCHOOLS (continued)

2010 – 2 LACK OF TIMELY TRANSFER OF SUB-RECIPIENT FUNDS

Condition: Remittance of sub-recipient funds not made within three days.

Criteria: In accordance with Department of Education policies and procedures, the District is required to transfer cash to the subrecipient within 3 days of receipt of the funds.

Effect of Condition: The charter school did not receive the funds in a timely manner.

Cause: The District did not know what the funds were for until after the three days were over.

Recommendation: We recommend closer monitoring and communication with sub-recipient and the Department of Education to ensure that funds received are properly and timely transferred.

Management Response: Management will work closer with sub-recipient and PED to ensure that funds received are properly and timely transferred.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

CIMARRON MUNICIPAL SCHOOLS (continued)

2010 – 3 LATE AUDIT REPORT

Condition: The June 30, 2010 audit report was not submitted and accepted by the New Mexico State Auditor's Office by the due date of November 15, 2010. The Audit was re-submitted to the New Mexico State Auditor's office on November 19, 2010.

Criteria: The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in the office by November 15, 2010.

Effect of Condition: The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

Cause: The audit report was submitted to the New Mexico State Auditor's office on November 4, 2010 and was subsequently rejected on November 17, 2010.

Recommendation: We recommend that the audit report be sent to the state auditor further in advance of the due date to allow adequate time for correction of issues, if identified.

Management Response: Management submitted in a timely fashion. Management is requesting the audit to begin earlier to avoid penalties.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY HIGH SCHOOL

C2010 – 1 IMPROPER FUND ACCOUNTING

Condition: The charter school is not using proper fund accounting to record expenditures.

Criteria: The charter school must keep fund accounting, the expenses for special revenue funds should be spent out of the special revenue funds as explained in Codification of GASB 1300.105.

Effect of the Condition: Allocation of the expenses could allow for double dipping and presents an opportunity for fraud to occur. The monthly or quarterly reporting to the New Mexico Public Education Department would be in error due to special revenue expenditures being reported in the general fund. If the reimbursement was not received in the same year as the expenditures, the expenditures would be closed to the general fund's fund balance. As a consequence, reimbursements received for expenditures in the prior year will have to be refunded because there will be no expenditures to offset the revenue.

Cause: Instead of temporarily transferring cash from the general fund to the special revenue funds to cover expenditures until reimbursements are received, the charter school records expenditures in the general fund. Those expenditures are then transferred to the special revenue fund that is deemed appropriate.

Recommendation: The charter school needs to record expenditures in the fund for which those expenditures were originally intended. Authorization from the New Mexico Public Education Department should be obtained to temporarily loan cash from the general fund to the special revenue funds in order to cover cash deficits.

Management's Response: Moreno Valley High School will institute practices which will facilitate the correct procedure be followed for proper fund accounting in recording expenditures.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION

F2010 – 1 PREPARATION OF FINANCIAL STATEMENTS

Condition: The financial statements were prepared by the auditor.

Criteria: As per SAS 115, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

Effect of condition: Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

Cause: Management does not have internal controls in place that are necessary for the preparation of the financial statements.

Recommendation: Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

Management's Response: The corrections to the financial statements provided by the auditor are noted and will be reviewed with the bookkeeper as to not be repeated. The above condition should be corrected to state that the auditor had to make corrections to the financial statement provided by the Foundation, not that they were prepared by the auditor.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2010 – 2 EXPENSES POSTED IN REVENUE ACCOUNTS

Condition: The foundation posted four different expenses in a revenue account.

Criteria: In accordance with proper accounting procedures – expenses and revenue should be reported separately.

Effect of condition: The revenue and the expenses are understated.

Cause: The expenses for a grant were posted in the revenue.

Recommendation: The expenditures should be properly recorded as expenses.

Management's Response: This was a single entry mistake by the bookkeeper. This entry will be corrected.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2010 – 3 MISSTATEMENT OF CASH

(repeat of original finding number 2009 – 4)

Condition: Reconciliation of bank balances were misrepresented by having 2 checks which were written in June were not recorded on the books until July when they cleared the bank. The checks totaled \$4,064.

Criteria: Reconciliation of bank statements to general ledger cash balances should be performed monthly, and reviewed by management to maintain fiscal responsibility and safeguard the assets.

Effect of condition: Overvaluation of the cash account, and undervaluation of the expense accounts.

Cause: Two checks written in June were not properly posted to the books until July when they cleared the bank.

Recommendation: Review of check register and reconciliation of bank accounts to insure accuracy.

Management's Response: The Foundation will correct this process with the bookkeeper.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2010 – 4 UNTIMELY DEPOSITS

(Repeat of original funding number F2009 – 3)

Condition: One of the checks collected was not deposited within one banking day.

Criteria: NMAC 6.20.2.14 (c) states that money received and receipted shall be deposited in the bank within 24 hours or one banking day.

Effect of condition: The foundation is in violation of NMAC 6.20.2.14 (c). The check was not deposited for extended periods of time.

Cause: The check date was over a month before the deposit date in the bank.

Recommendation: Receipts should be deposited within one banking day.

Management's Response: A process was put in place last year to note the date received on each check received. This single entry was not received by the person issuing the check in a timely fashion. The Foundation will provide dated receipts going forward for all funds received.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F 2010 – 5 BACKUP DOCUMENTATION FOR DISBURSEMENT MISSING

Condition: Invoice, purchase order and requisition was missing for two of twenty disbursements tested, which totaled \$165.

Criteria: A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

Effect of Condition: The Foundation's internal controls over cash disbursements were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of documents.

Cause: Management is disbursing funds without proper documentation.

Recommendation: Proper controls should be put into place to ensure that all documentation is kept.

Management's Response: The Foundation will revisit its business practices to ensure that proper documentation is kept and provided to auditors in future Foundation audits.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F 2010 – 6. CASH DISBURSEMENTS WERE NOT PAID IN A TIMELY MANNER.

Condition: Six disbursement checks out of twenty items tested was paid in excess of 30 days following the invoice date.

Criteria: Disbursement payments made in remittance for products and/or services received by the Corporation should be made in a timely manner. Payment should be made within vendor terms or within 30 days of the invoice date.

Effect of condition: Late fees can be added to the cost of purchases made that are not paid for in a timely manner. Payment of such late fees is not an allowable cost under the guidelines established by the federal government.

Cause: The disbursements were not paid timely.

Recommendation: A system should be set up that would keep unpaid invoices in a tickler file, until paid for. A review of this file could be made weekly, if not daily, to determine if all the necessary documentation is available that would allow for disbursement payment to be made for each purchase.

Management's response: The foundation will strive to pay all invoices in a timely manner.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2010 – 7 MISSING RECEIPTS

Condition: Only seven of twelve receipts selected for testing were provided.

Criteria: Records are to be retained by the foundation as prescribed in federal and state law as required per 1978 NMSA 14-3-13, 1978 NMSA 6-5-2, 6 NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

Effect of condition: A system of internal controls designed to prevent and/or detect errors.

Cause: Only receipts for January 2010 through June 2010 were received for testing.

Recommendation: The foundation should provide the receipts for testing as required by federal and state law.

Management response: The Auditor and Foundation representative were not in sync on the requested documentation for the deposits. The request was provided on two pieces of paper, which the Foundation only received one. This was not brought to the attention of the Foundation until after the preliminary report was released and only after questioning of this finding by the Foundation. The Foundation provided all receipts requested to the auditor from our available information and has subsequently provided the remaining receipts on November 1, 2010. However, four (4) of the five (5) receipts that are stated by the auditor as not being provided were in fact provided with the bank statements in the materials provided during the onsite audit in a binder presented to the auditors at their arrival onsite.

The auditor did not provide the pull list for the deposits until the end of the second unscheduled onsite day of the audit. Had the list been received during the onsite audit as is normal process, this issue would not have occurred. After receiving the receipts requested in email, the auditor did not confirm that there were other receipts still expected in email. Confirmation of these additional receipts would have been a prudent action of the auditor as their supporting email system proved to be quite insufficient for receiving documents via this media. The Foundation was not aware that additional information was required until questioning this finding the Friday preceding the audit exit.

The Foundation requests that this finding be removed from the report, or reflect that all receipts have been received by the auditor and that this was a communication error on the part of the auditor and lack of timely follow through by the auditor.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2010 – 7 MISSING RECEIPTS (continued)

Auditor response: Information for items needed was initiated in July 2010. In August a follow up phone call occurred to insure the information was received. A second request for items needed was sent in September. The superintendent of Cimarron School District was contacted the week before the scheduled on site visit to inform him that the auditor had not received any information from the foundation. Some items requested started arriving Thursday before the audit was to begin on Monday, an incomplete general ledger was received and did not cover the entire year under audit. The Tuesday after arriving for the scheduled onsite visit, the Foundation provided the information necessary to produce a selection of receipts to be tested. The random list of receipts was handed to the representative. The foundation representative took the binder and the general ledgers and went home after the discussion of what was needed. The representative did not return the following day. The request for receipts continued since they were not all received. The draft report was sent to the foundation. The weekend before the exit the foundation questioned the finding for receipts not received.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		11,385
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition -- Cluster:</u>				
USDA National School Lunch Program	10.555	21000	\$ 104,415	
USDA School Breakfast Program	10.553	21000	<u>40,607</u>	
Total Child Nutrition Cluster				145,022
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>11,642</u>
Total U.S. Department of Agriculture				<u>168,049</u>
<u>U.S. Department of Education:</u>				
Direct Programs:				
Teacher Quality	84.336	25214		\$ 3,157
Gear Up	84.358A	25233		20,661
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
IDEA-B Entitlement	84.027	24106	102,524	
IDEA-B Preschool	84.173	24109	10,101	
ARRA - Entitlement IDEA-B	84.391	24206	58,174	
ARRA - Preschool IDEA-B	84.392	24209	<u>1,941</u>	
Total Special Education (IDEA) Cluster				<u>\$ 172,740</u>

(continued)

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From (continued):				
New Mexico Department of Education (continued):				
<u>Title I, Part A Cluster:</u>				
Title I Basic Education Grant	84.010	24101	90,505	
ARRA - Title I	84.048	24201	<u>37,736</u>	
Total Title I, Part A Cluster				<u>\$ 128,241</u>
ARRA - State Revitalization	81.394	25250		262,321
Title II Improving Teacher Quality	84.367	24154		6,783
Title IV - Safe and Drug-Free Schools	84.186	24157		1,550
Total U.S. Department of Education				<u>595,453</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>14,302</u>
Total U.S. Department of Health and Human Services				<u>14,302</u>
Total Expenditures of Federal Awards				<u>\$ 777,804</u>

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2010

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Cimarron Municipal School District No. 3 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised June 2010 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2010 cash and non-cash expenditures to ensure coverage of at least 50% (High Risk Auditee) of federally granted funds. Actual coverage is approximately 76% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$766,162 and all non-cash expenditures amounted to \$11,642.

Major Federal Award Program Description	Fiscal 2010 <u>Expenditure</u>
Cash assistance:	
Special Education (IDEA) Cluster	\$ 172,740
ARRA - State Revitalization	262,321
USDA Child Nutrition Cluster	156,664
	<u>\$ 591,725</u>

The School District’s federal programs Special Education (IDEA) Cluster, ARRA – State Revitalization, and USDA Child Nutrition Cluster were considered high risk Type B programs for the 2010 audit.

The U.S. Department of Education is the Cimarron Municipal School District No. 3’s oversight for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2010. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2010

3. Audits performed by other entities

There were no other audits performed by other organizations on the School District's federal grant programs in 2010.

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REQUIRED DISCLOSURE

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

REQUIRED DISCLOSURES
Year Ended June 30, 2010

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held in an advertised executive session November 1, 2010, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Ronald L. Anderson	Board Member
James Gallegos	Superintendent
Lita Sanchez	Business Official

MORENO VALLEY HIGH SCHOOL

Mark Stewart	Governing Council President
Jacque Boyd	Director
Domingo Sanchez	Business Manger

MORENO VALLEY EDUCATION FOUNDATION

Carrie Belichick	Treasurer
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KEYSTONE ACCOUNTING. LLC

Terry Ogle, CPA	Partner
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