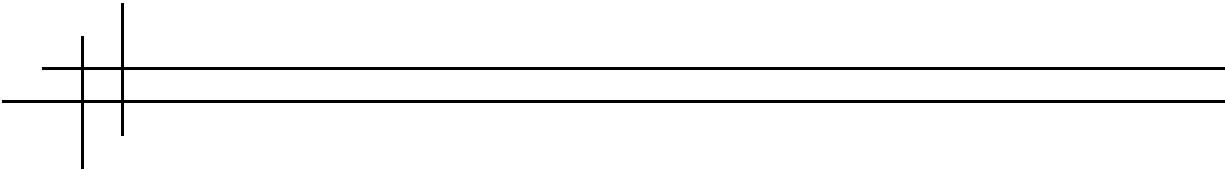




STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2009

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 Table of Contents  
 For the Year Ended June 30, 2009

---

	<u>Page</u>
Official Roster.....	6
Independent Auditor's Report.....	7-8
<b>FINANCIAL SECTION</b>	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements	
Government Funds - Balance Sheet.....	12-15
Reconciliation of the Governmental	
of Net Assets.....	16
Statement of Revenues, Expenditures, and	
Changes in Fund Balances.....	17-20
Reconciliation of Governmental Funds	
Statement of Revenues, Expenditures, and	
Changes in Fund Balance to the	
Statement of Activities.....	21
<b>General Funds</b>	
<b>Operational Fund-11000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance -	
Budget (Budgetary Basis) and Actual.....	22-24
<b>Transportation-13000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance -	
Budget (Budgetary Basis) and Actual.....	25
<b>Instructional Material-14000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance -	
Budget (Budgetary Basis) and Actual.....	26
<b>Title I-24101</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance-	
Budget (Budgetary Basis) and Actual.....	27
<b>IDEA, Part B, Entitlement-24106</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance-	
Budget (Budgetary Basis) and Actual.....	28
Statement of Fiduciary Net Assets and Liabilities-Agency Funds .....	29
Notes to Financial Statements.....	30-45

**SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS**

**Bond Building-31100**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	47
--	----

**Special Capital Outlay-Local-31400**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	48
--	----

**Senate Bill Nine-31700**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	49
--	----

**Debt Service-41000**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	50
--	----

**SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS**

**Non-major Special Revenue Funds**

Combining Balance Sheet.....	54-61
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	62-69

**Food Service-21000**

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	70
---	----

**Athletics-22000**

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	71
---	----

**IDEA, Part B, Discretionary-24107**

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	72
---	----

**IDEA, Preschool-24109**

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	73
---	----

**Title V-24150**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	74
--	----

**Teacher/Principal Training-24154**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	75
--	----

**Safe & Drug Free Schools-24157**

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	76
--	----

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 Table of Contents  
 For the Year Ended June 30, 2009

---

	<u>Page</u>
<b>Title XIX Medicaid-25153</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	77
<b>Rural Education Achievement Program-25233</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	78
<b>Hubbard Foundation-26146</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	79
<b>Spectrum Leasing Contract-26172</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	80
<b>Ed Tech-27117</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	81
<b>Incentives for School Improvement-27138</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	82
<b>Libraries GO Bond-27145</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	83
<b>Beginning Teacher-27154</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	84
<b>School Improvement-27164</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	85
<b>Legislative Appropriation-27165</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	86
<b>Libraries GO Bond-27170</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	87
<b>IDEA State Directed-27200</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	88
<b>Coordinated Approach To Child Health-28140</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	89
<b>Center For Teaching Excellence-28156</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	90
<b>French Grant From NMSU-29102</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	91

	<u>Page</u>
<b>OTHER SUPPLEMENTAL INFORMATION</b>	
<b>Agency Fund</b>	
Statement of Fiduciary Net Assets and Liabilities-Agency Funds .....	94
<b>Activity</b>	
Statement of Fiduciary Net Assets and Liabilities-Agency Funds .....	95
Cash Reconciliations-All Funds.....	96
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	97-98
Findings and Responses.....	99

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Official Roster  
June 30, 2009

---

**BOARD OF EDUCATION**

Terry Buttram	President
Jacqueline Cates	Vice-President
Terry Winkles	Secretary
Douglas Porch	Member
Bill Denney	Member

**SCHOOL OFFICIALS**

Tommy Hancock	Superintendent
Charlotte Lund	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the CLOUDCROFT MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of CLOUDCROFT MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects funds, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2009 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*De'Ann Willoughby CPA PC*

August 31, 2009



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 Government-Wide Statement of Net Assets  
 June 30, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 3,079,941
Investments	148,526
Taxes Receivable	22,353
Due from Grantors	51,053
Inventory	2,581
Total Current Assets	<u>3,304,454</u>
Noncurrent Assets	
Capital Assets	16,774,973
Less: Accumulated Depreciation	<u>(3,589,155)</u>
Total Noncurrent Assets	<u>13,185,818</u>
Total Assets	<u>16,490,272</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	24,867
Deferred Revenue	621
Accrued Interest	67,626
Current Portion of Long-Term Debt	735,000
Total Current Liabilities	<u>828,114</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>6,825,903</u>
Total Noncurrent Liabilities	<u>6,825,903</u>
Total Liabilities	<u>7,654,017</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	5,624,915
Restricted for:	
Capital Projects Fund	1,878,705
Debt Service	945,260
Unrestricted	387,375
Total Net Assets	<u>\$ 8,836,255</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 Government-Wide Statement of Activities  
 For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 3,139,991	\$ 19,995	\$ 243,779	\$ 0	\$ (2,876,217)
Support Services-Students	409,528	0	43,675	0	(365,853)
Support Services-Instruction	198,180	0	28,401	0	(169,779)
General Administration	388,606	0	31,318	0	(357,288)
School Administration	217,404	0	0	0	(217,404)
Central Services	97,078	0	2,384	0	(94,694)
Operation of Plant	809,217	0	0	0	(809,217)
Transportation	453,700	0	453,745	0	45
Food Services	160,256	36,310	84,032	0	(39,914)
Interest on Long-Term Obligations	296,556	0	0	0	(296,556)
Total Governmental Activities	<u>\$ 6,170,516</u>	<u>\$ 56,305</u>	<u>\$ 887,334</u>	<u>\$ 0</u>	<u>\$ (5,226,877)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes				\$	38,477
Property Taxes, Levied for Capital Projects					272,164
Property Taxes, Levied for Debt Service					930,518
Federal and State aid not restricted to specific purpose					
General					4,257,984
Capital					284,227
Interest and investment earnings					10,092
Miscellaneous					2,863
Subtotal, General Revenues					<u>5,796,325</u>
Change in Net Assets					
					<u>569,448</u>
Net Assets - beginning					
Restatement					8,001,172
Restated Beginning Net Assets					<u>265,635</u>
					<u>8,266,807</u>
Net Assets - ending					
				\$	<u><u>8,836,255</u></u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2009

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 119,870	\$ 45	\$ 19,197
Investments	0	0	0
Receivables			
Taxes	993	0	0
Due From Grantor	0	0	0
Interfund Balances	49,846	0	0
Inventory	0	0	0
Total Assets	<u>\$ 170,709</u>	<u>\$ 45</u>	<u>\$ 19,197</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ 5,578	\$ 0	\$ 16,454
Interfund Balances	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>5,578</u>	<u>0</u>	<u>16,454</u>
<b>Fund Balances</b>			
Reserved for:			
Inventory	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	165,131	45	2,743
Special Revenue Funds	0	0	0
Capital Projects Fund	0	0	0
Total Fund Balances	<u>165,131</u>	<u>45</u>	<u>2,743</u>
Total Liabilities and Fund Balances	<u>\$ 170,709</u>	<u>\$ 45</u>	<u>\$ 19,197</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2009

---

	Title I <u>24101</u>	Entitlement <u>24106</u>	Bond Building <u>31100</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 1,730,179
Investments	0	0	148,526
Receivables			
Taxes	0	0	0
Due From Grantor	12,415	5,957	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 12,415</u>	<u>\$ 5,957</u>	<u>\$ 1,878,705</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	12,415	5,957	0
Deferred Revenue	0	0	0
Total Liabilities	<u>12,415</u>	<u>5,957</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for:			
Inventory	0	0	0
Capital Projects	0	0	1,878,705
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Capital Projects Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>1,878,705</u>
Total Liabilities and Fund Balances	<u>\$ 12,415</u>	<u>\$ 5,957</u>	<u>\$ 1,878,705</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2009

---

	Special Capital Outlay 31400	Senate Bill Nine 31700	Debt Service 41000
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 224,924	\$ 928,813
Investments	0	0	0
Receivables			
Taxes	0	4,913	16,447
Due From Grantor	27,940	0	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 27,940</u>	<u>\$ 229,837</u>	<u>\$ 945,260</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	27,940	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>27,940</u>	<u>0</u>	<u>0</u>
 <b>Fund Balances</b>			
Reserved for:			
Inventory	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	945,260
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Capital Projects Fund	0	229,837	0
Total Fund Balances	<u>0</u>	<u>229,837</u>	<u>945,260</u>
 Total Liabilities and Fund Balances	 <u>\$ 27,940</u>	 <u>\$ 229,837</u>	 <u>\$ 945,260</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2009

---

	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 56,913	\$ 3,079,941
Investments	0	148,526
Receivables		
Taxes	0	22,353
Due From Grantor	4,741	51,053
Interfund Balances	0	49,846
Inventory	2,581	2,581
<b>Total Assets</b>	<u><u>\$ 64,235</u></u>	<u><u>\$ 3,354,300</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Accounts Payable	\$ 2,835	\$ 24,867
Interfund Balances	3,534	49,846
Deferred Revenue	621	621
<b>Total Liabilities</b>	<u><u>6,990</u></u>	<u><u>75,334</u></u>
 <b>Fund Balances</b>		
Reserved for:		
Inventory	# 2,581	2,581
Capital Projects	0	1,878,705
Debt Service	0	945,260
Unreserved, Undesignated, reported in:		
General Fund	0	167,919
Special Revenue Funds	54,664	54,664
Capital Projects Fund	0	229,837
<b>Total Fund Balances</b>	<u><u>57,245</u></u>	<u><u>3,278,966</u></u>
 <b>Total Liabilities and Fund Balances</b>	 <u><u>\$ 64,235</u></u>	 <u><u>\$ 3,354,300</u></u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2009

---

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

Total Fund Balance - Governmental Funds	\$	3,278,966
---	----	-----------

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

The cost of capital assets	\$	16,774,973	
Accumulated depreciation is		<u>(3,589,155)</u>	13,185,818

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

Bond payable	(7,720,000)	
Accrued Interest	(67,626)	
Bond Issue Costs	221,773	
Accumulated Amortization	<u>(62,676)</u>	<u>(7,628,529)</u>

Total net assets - governmental activities	\$	<u><u>8,836,255</u></u>
--	----	-------------------------

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2009

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
<b>Revenues</b>			
Taxes	\$ 38,477	\$ 0	\$ 0
Investment Income	791	0	0
Fees	4,090	0	0
State & Local Grants	4,257,984	453,745	43,229
Federal Grants	30,813	0	0
Miscellaneous	2,863	0	0
<b>Total Revenues</b>	<u>4,335,018</u>	<u>453,745</u>	<u>43,229</u>
<b>Expenditures</b>			
Current			
Instruction	2,457,762	0	44,085
Support Service-Students	390,219	0	0
Support Services-Instruction	142,217	0	2,462
Support Services-General Administration	426,183	0	0
Support Services-School Administration	217,404	0	0
Central Services	93,158	0	0
Operation & Maintenance of Plant	675,584	0	0
Student Transportation	0	453,700	0
Food Services	23,921	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<u>4,426,448</u>	<u>453,700</u>	<u>46,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(91,430)</u>	<u>45</u>	<u>(3,318)</u>
<b>Other Financing Sources (Uses)</b>			
Bond Proceeds	0	0	0
Transfers	43	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>43</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	<u>(91,387)</u>	<u>45</u>	<u>(3,318)</u>
Fund Balances at Beginning of Year	256,518	0	6,061
Restatement	0	0	0
<b>Restated Beginning Fund Balances</b>	<u>256,518</u>	<u>0</u>	<u>6,061</u>
<b>Fund Balance End of Year</b>	<u>\$ 165,131</u>	<u>\$ 45</u>	<u>\$ 2,743</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2009

	Title I 24101	Entitlement 24106	Bond Building 31100
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	4,984
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	54,192	88,131	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>54,192</u>	<u>88,131</u>	<u>4,984</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	54,192	60,012	0
Support Service-Students	0	0	0
Support Services-Instruction	0	14,035	0
Support Services-General Administration	0	14,084	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	2,055,291
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<u>54,192</u>	<u>88,131</u>	<u>2,055,291</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>0</u>	<u>0</u>	<u>(2,050,307)</u>
<b>Other Financing Sources (Uses)</b>			
Bond Proceeds	0	0	1,750,000
Transfers	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>1,750,000</u>
<b>Net Change in Fund Balance</b>	<u>0</u>	<u>0</u>	<u>(300,307)</u>
Fund Balances at Beginning of Year	0	0	2,179,012
Restatement	0	0	0
<b>Restated Beginning Fund Balances</b>	<u>0</u>	<u>0</u>	<u>2,179,012</u>
<b>Fund Balance End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,878,705</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2009

	Special Capital Outlay 31400	Senate Bill Nine 31700	Debt Service 41000
<b>Revenues</b>			
Taxes	\$ 0	\$ 272,164	\$ 930,518
Investment Income	0	617	3,685
Fees	0	0	0
State & Local Grants	248,614	4,800	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>248,614</b>	<b>277,581</b>	<b>934,203</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	98,810	0
Support Service-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	2,721	9,302
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	117,052	0
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	248,614	25,094	0
<b>Debt Service</b>			
Principal	0	0	565,000
Interest	0	0	285,563
<b>Total Expenditures</b>	<b>248,614</b>	<b>243,677</b>	<b>859,865</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>0</b>	<b>33,904</b>	<b>74,338</b>
<b>Other Financing Sources (Uses)</b>			
Bond Proceeds	0	0	0
Transfers	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>33,904</b>	<b>74,338</b>
Fund Balances at Beginning of Year	0	195,933	870,922
Restatement	0	0	0
<b>Restated Beginning Fund Balances</b>	<b>0</b>	<b>195,933</b>	<b>870,922</b>
<b>Fund Balance End of Year</b>	<b>\$ 0</b>	<b>\$ 229,837</b>	<b>\$ 945,260</b>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2009

	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>		
Taxes	\$ 0	\$ 1,241,159
Investment Income	15	10,092
Fees	52,215	56,305
State & Local Grants	28,776	5,037,148
Federal Grants	219,261	392,397
Miscellaneous	0	2,863
Total Revenues	<u>300,267</u>	<u>6,739,964</u>
<b>Expenditures</b>		
Current		
Instruction	96,272	2,811,133
Support Service-Students	9,495	399,714
Support Services-Instruction	40,709	199,423
Support Services-General Administration	17,234	469,524
Support Services-School Administration	0	217,404
Central Services	3,006	96,164
Operation & Maintenance of Plant	0	792,636
Student Transportation	0	453,700
Food Services	113,340	137,261
Capital Outlay	0	2,328,999
Debt Service		
Principal	0	565,000
Interest	0	285,563
Total Expenditures	<u>280,056</u>	<u>8,756,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,211</u>	<u>(2,016,557)</u>
<b>Other Financing Sources (Uses)</b>		
Bond Proceeds	0	1,750,000
Transfers	(43)	0
Total Other Financing Sources (Uses)	<u>(43)</u>	<u>1,750,000</u>
Net Change in Fund Balance	<u>20,168</u>	<u>(266,557)</u>
Fund Balances at Beginning of Year	24,265	3,532,711
Restatement	12,812	12,812
Restated Beginning Fund Balances	<u>37,077</u>	<u>3,545,523</u>
Fund Balance End of Year	<u>\$ 57,245</u>	<u>\$ 3,278,966</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 To the Statement of Activities  
 June 30, 2009

---

Net Change in Fund Balance-Governmental Funds \$ (266,557)

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

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

Depreciation expense	\$ (377,919)	
Capital Outlays	<u>2,328,999</u>	1,951,080

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds. (1,750,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 565,000

Bond issue costs are amortized in the Statement of Activities but are netted with proceeds of bond issues in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. This the amount of the amortized bond issue costs this year.

Bond Issue Costs	80,918	
Amortization Costs	<u>(16,347)</u>	64,571

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 5,354

Changes in Net Assets of Governmental Activities \$ 569,448

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 35,929	\$ 35,929	\$ 38,137	\$ 2,208
Investment Income	2,700	2,700	791	(1,909)
Fees	3,100	3,100	4,090	990
Miscellaneous	250	250	2,863	2,613
State & Local Grants	4,302,407	4,258,795	4,257,984	(811)
Federal Revenues	5,028	30,128	30,813	685
Total Revenues	<u>4,349,414</u>	<u>4,330,902</u>	<u>4,334,678</u>	<u>3,776</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,783,788	1,784,342	1,776,810	7,532
Employee Benefits	628,443	593,025	578,053	14,972
Professional & Tech Services	15,500	18,905	18,893	12
Other Purchased Services	53,850	73,823	59,646	14,177
Supplies	30,000	25,328	18,783	6,545
Total Instruction	<u>2,511,581</u>	<u>2,495,423</u>	<u>2,452,185</u>	<u>43,238</u>
<b>Support Services-Students</b>				
Personnel Services	195,845	217,281	217,082	199
Employee Benefits	71,266	69,759	68,972	787
Professional & Tech Services	96,500	94,009	93,122	887
Supplies	13,824	11,057	11,043	14
Total Support Services-Students	<u>377,435</u>	<u>392,106</u>	<u>390,219</u>	<u>1,887</u>
<b>Support Services-Instruction</b>				
Personnel Services	122,235	94,697	92,024	2,673
Employee Benefits	59,087	55,687	48,692	6,995
Supplies	2,500	2,500	1,501	999
Total Support Services-Instruction	<u>183,822</u>	<u>152,884</u>	<u>142,217</u>	<u>10,667</u>
<b>Support Services-General Administration</b>				
Personnel Services	282,253	272,003	272,002	1
Employee Benefits	84,408	95,369	93,640	1,729
Professional & Tech Services	54,035	45,074	42,059	3,015
Other Purchased Services	8,000	8,651	7,786	865
Supplies	14,324	14,323	10,696	3,627
Total Support Services-General Administration	<u>443,020</u>	<u>435,420</u>	<u>426,183</u>	<u>9,237</u>

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 169,250	\$ 169,250	\$ 169,250	\$ 0
Employee Benefits	58,059	49,641	48,154	1,487
Total Support Services-School Administration	<u>227,309</u>	<u>218,891</u>	<u>217,404</u>	<u>1,487</u>
Central Services				
Personnel Services	58,496	59,284	59,284	0
Employee Benefits	19,222	23,942	23,239	703
Purchased Property Services	10,000	12,362	10,087	2,275
Supplies	0	548	548	0
Total Central Service	<u>87,718</u>	<u>96,136</u>	<u>93,158</u>	<u>2,978</u>
Operation & Maintenance of Plant				
Personnel Services	207,820	193,495	192,391	1,104
Employee Benefits	73,873	74,098	67,157	6,941
Purchased Property Services	250,000	285,613	283,787	1,826
Other Purchased Services	113,098	113,098	113,033	65
Supplies	23,826	23,826	19,216	4,610
Total Operation & Maintenance of Plant	<u>668,617</u>	<u>690,130</u>	<u>675,584</u>	<u>14,546</u>
Food Service Operations				
Personnel Services	19,767	19,717	19,111	606
Employee Benefits	4,985	5,035	4,809	226
Total Food Service Operations	<u>24,752</u>	<u>24,752</u>	<u>23,920</u>	<u>832</u>
Total Expenditures	<u>4,524,254</u>	<u>4,505,742</u>	<u>4,420,870</u>	<u>84,872</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(174,840)</u>	<u>(174,840)</u>	<u>(86,192)</u>	<u>88,648</u>
Other Financing Sources				
Transfers	0	0	43	43
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>43</u>	<u>43</u>
Net Change in Cash Balance	(174,840)	(174,840)	(86,149)	88,691
Cash Balance Beginning of Year	<u>255,865</u>	<u>255,865</u>	<u>255,865</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 81,025</u>	<u>\$ 81,025</u>	<u>\$ 169,716</u>	<u>\$ 88,691</u>

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 GENERAL FUND-OPERATIONAL-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

---

	<u>Budgeted Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	with Final Budget- Over (Under)
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (86,149)	
Net change in Taxes Receivables			340	
Net change in Accounts Payable			<u>(5,578)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (91,387)</u>	

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GENERAL FUND-TRANSPORTATION-13000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 437,431	\$ 468,176	\$ 453,745	\$ (14,431)
Total Revenues	<u>437,431</u>	<u>468,176</u>	<u>453,745</u>	<u>(14,431)</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Personnel Services	56,921	62,075	62,071	4
Employee Benefits	17,991	18,730	18,730	0
Purchased Property Services	43,091	59,685	59,683	2
Other Purchased Services	257,428	257,428	242,967	14,461
Supplies	44,500	34,604	34,596	8
Capital Outlay	17,500	35,654	35,653	1
Total Student Transportation	<u>437,431</u>	<u>468,176</u>	<u>453,700</u>	<u>14,476</u>
Total Expenditures	<u>437,431</u>	<u>468,176</u>	<u>453,700</u>	<u>14,476</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	45	14,476
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 45</u>	<u>\$ 14,476</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 45	
Net change in Accounts Payable			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 45</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 42,449	\$ 43,107	\$ 43,229	\$ 122
Total Revenues	<u>42,449</u>	<u>43,107</u>	<u>43,229</u>	<u>122</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>39,919</u>	<u>40,460</u>	<u>27,630</u>	<u>12,830</u>
Total Instruction	<u>39,919</u>	<u>40,460</u>	<u>27,630</u>	<u>12,830</u>
<b>Support Services-Instruction</b>				
Supplies	<u>2,530</u>	<u>2,647</u>	<u>2,463</u>	<u>184</u>
Total Support Services- Instruction	<u>2,530</u>	<u>2,647</u>	<u>2,463</u>	<u>184</u>
Total Expenditures	<u>42,449</u>	<u>43,107</u>	<u>30,093</u>	<u>13,014</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	13,136	13,136
Cash Balance Beginning of Year	<u>6,061</u>	<u>6,061</u>	<u>6,061</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,061</u>	<u>\$ 6,061</u>	<u>\$ 19,197</u>	<u>\$ 13,136</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 13,136	
Net change in Accounts Payable			(16,454)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>(3,318)</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TITLE I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 72,420	\$ 72,405	\$ 59,681	\$ (12,724)
Total Revenues	<u>72,420</u>	<u>72,405</u>	<u>59,681</u>	<u>(12,724)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	42,933	42,934	42,933	1
Employee Benefits	10,583	10,582	10,274	308
Supplies	<u>1,000</u>	<u>985</u>	<u>985</u>	<u>0</u>
Total Instruction	<u>54,516</u>	<u>54,501</u>	<u>54,192</u>	<u>309</u>
Total Expenditures	<u>54,516</u>	<u>54,501</u>	<u>54,192</u>	<u>309</u>
Excess (Deficiency) of Revenues Over Expenditures	17,904	17,904	5,489	(12,415)
Cash Balance Beginning of Year	<u>(17,904)</u>	<u>(17,904)</u>	<u>(17,904)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(12,415)</u>	\$ <u>(12,415)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,489	
Net change in Due from Grantor			<u>(5,489)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 96,017	\$ 88,218	\$ 81,537	\$ (6,681)
Total Revenues	<u>96,017</u>	<u>88,218</u>	<u>81,537</u>	<u>(6,681)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	58,176	39,902	39,537	365
Employee Benefits	0	11,366	11,366	0
Other Purchased Services	0	1,584	1,584	0
Supplies	<u>10,000</u>	<u>7,525</u>	<u>7,525</u>	<u>0</u>
Total Instruction	<u>68,176</u>	<u>60,377</u>	<u>60,012</u>	<u>365</u>
<b>Support Services-Instruction</b>				
Personnel Services	11,474	11,475	11,475	0
Employee Benefits	2,524	2,659	2,436	223
Supplies	<u>396</u>	<u>260</u>	<u>124</u>	<u>136</u>
Total Support Services- Instruction	\$ <u>14,394</u>	\$ <u>14,394</u>	\$ <u>14,035</u>	\$ <u>359</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>14,084</u>	<u>14,084</u>	<u>14,084</u>	<u>0</u>
Total Support Services- General Administration	<u>14,084</u>	<u>14,084</u>	<u>14,084</u>	<u>0</u>
Total Expenditures	<u>96,654</u>	<u>88,855</u>	<u>88,131</u>	<u>724</u>
Excess (Deficiency) of Revenues Over Expenditures	(637)	(637)	(6,594)	(5,957)
Cash Balance Beginning of Year	<u>637</u>	<u>637</u>	<u>637</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>(5,957)</u></u>	\$ <u><u>(5,957)</u></u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,594)	
Net Change in Due from Grantor			<u>6,594</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>0</u></u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Statement of Fiduciary Assets and Liabilities-Agency Fund  
For the Year Ended June 30, 2009

---

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 92,896
Total Assets	<u>\$ 92,896</u>
Liabilities	
Deposits Held for Others	\$ 92,896
Total Liabilities	<u>\$ 92,896</u>

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

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

The financial statements of the CLOUDCROFT MUNICIPAL SCHOOLS (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

**Financial Reporting Entity**

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

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

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

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

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

***Governmental Funds***

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

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

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

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

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

***Fiduciary Fund Type***

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

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

**Major Funds**

The District reports the following major governmental funds:

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

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

**SPECIAL REVENUE FUNDS**

**Title I (24101)**

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

**IDEA Part B, Entitlement (24106)**

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

**CAPITAL PROJECT FUNDS**

**Bond Building (31100)**

The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

**Special Capital Outlay-State (31400)**

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

**Senate Bill Nine (31700)**

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

**DEBT SERVICE FUND (41000)**

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

The School reports the following non-major fund types:

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

**Measurement Focus and Basis of Accounting**

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

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

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

**Program Revenues**

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

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

**Governmental Funds**

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



Revenues

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

*Entitlement and shared revenues* (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2009

---

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

Cash and Cash Equivalents

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

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

Investments

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

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

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

#### Receivables and Payables

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

#### Property Taxes

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

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

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

#### Inventories and Prepaid Items

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

#### Capital Assets

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

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

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

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

#### Capital Leases

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

#### Long-Term Liabilities

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

#### Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

#### Fund Balances of Fund Financial Statements

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

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

#### Interfund Transfers

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

Deferred Revenue

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

Compensated Absences

All 12-month or full time employees that have been employed 1-9 years are entitled to 10 working days and 10 or more years 15 working days. Vacation time must be taken by December 30th following the school year as it is earned, and it is not accumulative. Prior accrued vacation time not taken by December 30 will be canceled.

Employees will not be paid for vacation days unless the following condition exists. An employee who terminates employment at the end of a contract year should try to use up all accrued vacation days. If this is not possible, the employee shall meet with the Superintendent to explain why the vacation days could not be taken. Upon approval by the Superintendent, the employee will be paid for accrued vacation days based on their daily rate.

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

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

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

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

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

Estimates

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

**NOTE B: CASH AND INVESTMENTS**

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2009

**1st National Bank**

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
Operational	\$ 243,756	\$ 181,368	Checking
Debt Service	801,578	801,606	Checking
Capital Improvements	2,073,542	2,066,689	Checking
Cafeteria	24,138	24,128	Checking
Athletics	2,996	2,996	Checking
Activity-Non-budgeted	94,427	92,893	Checking
Payroll Clearing	303,548	3,155	Checking
TOTAL Deposited	3,543,985	<u>\$ 3,172,835</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	3,293,985		
50% collateral requirement	1,646,993		
Pledged securities	<u>3,794,359</u>		
Over (Under) requirement	<u>\$ 2,147,367</u>		

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

The following securities are pledged at 1st National Bank:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
GNMA II	36291L4Q5	414,096	6/20/2024	* FHLB
FNMA	31390RKU6	44,672	5/1/2014	* FHLB
GNMA II	36202EWW7	408,002	5/1/2014	* FHLB
GNMA II	36202EZ44	<u>2,927,589</u>	5/1/2014	* FHLB
		<u>\$ 3,794,359</u>		

\* Federal Home Loan Bank  
Dallas, Texas

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	Bank Balance
Insured	\$ 398,526
Collateralized:	
Collateral held by the pledging bank in District's name	3,293,985
Uninsured and uncollateralized	<u>0</u>
Total Deposits	<u>\$ 3,692,511</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009 none of the District's bank balance of \$3,692,511 was exposed to custodial credit risk.

**NM State Treasurer**

<u>Name of Account</u>	Balance Per Bank 06-30-09	Reconciled Balance	Type
NM State Investment Council	\$ 148,526	\$ 148,526	Investment

GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
  
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.
  
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at [www.stonm.org](http://www.stonm.org). As of June 30, 2009, the LGIP WAM is 43 days.
  
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

**NOTE C: INTERFUND BALANCES AND ACTIVITY**

	Title I 24101	Entitlement 24106	Special Capital Outlay 31400
Loan from General Fund	\$ <u>12,415</u>	\$ <u>5,957</u>	\$ <u>27,940</u>
		Other Governmental Funds	Total
Loan from General Fund		\$ <u>3,534</u>	\$ <u>49,846</u>

The above loans were to cover shortfalls. They will be paid back within one year.

**NOTE D: DUE FROM GRANTOR**

Amounts due from other agencies and units of government were as follows as of June 30, 2009:

Federal Agencies	\$ 21,144
State Agencies	<u>29,909</u>
Total	\$ <u>51,053</u>

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2009

**NOTE E: CAPITAL ASSETS**

Capital Assets Balances and Activity for the fiscal year end is as follows:

	Beginning Balance 6/30/08	Increases	Decreases	Ending Balance 6/30/09
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Total Capital Assets not being Depreciated	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>5,000</u>
Capital Assets, being Depreciated				
Buildings & Improvements	13,424,358	2,055,291	0	15,479,649
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	\$ 1,120,944	\$ 273,708	\$ 104,327	\$ 1,290,325
Total Capital Assets being Depreciated	\$ <u>14,545,302</u>	\$ <u>2,328,999</u>	\$ <u>104,327</u>	\$ <u>16,769,974</u>
Total Capital Assets	<u>14,550,302</u>	<u>2,328,999</u>	<u>104,327</u>	<u>16,774,974</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	2,355,245	324,259	0	2,679,504
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	960,319	53,661	104,327	909,653
Total Accumulated Depreciation	<u>3,315,564</u>	<u>377,920</u>	<u>104,327</u>	<u>3,589,157</u>
Capital Assets, net	\$ <u>11,234,738</u>	\$ <u>1,951,079</u>	\$ <u>0</u>	\$ <u>13,185,817</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 328,858
Support Services-Students	8,571
Central Services	915
Food Service	22,995
Operation & Maintenance of Plant	16,581
Total depreciation expenses	<u>\$ 377,920</u>

**NOTE H: LONG TERM DEBT**

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

	Beginning Balance 6/30/08	Additions	Reductions	Ending Balance 6/30/09	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 6,535,000	\$ 1,750,000	\$ 565,000	\$ 7,720,000	\$ 735,000
Total Bonds	<u>\$ 6,535,000</u>	<u>\$ 1,750,000</u>	<u>\$ 565,000</u>	<u>\$ 7,720,000</u>	<u>\$ 735,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds.



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2009

---

General Obligation Bonds.

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

Series	Date of Issue	Original Amount	Interest Rate	Balance
2001	3/1/2001	4,500,000	4.0%-5.50%	\$ 2,725,000
2002	8/1/2001	1,500,000	3.50%-5.00%	995,000
2007	11/16/2007	2,500,000	3.65%-4.35%	2,250,000
2009	6/16/2009	1,750,000	4.25%	1,750,000
				<u>\$ 7,720,000</u>

The annual requirements to amortize the 1999 Series general obligation bonds as of June 30, 2009 including interest payments are as follows:

	Principal	Interest	Total
2010	\$ 735,000	\$ 273,027	\$ 1,008,027
2011	650,000	278,249	928,249
2012	720,000	250,436	970,436
2013	660,000	222,965	882,965
2014	610,000	198,774	808,774
2015-2019	3,125,000	540,650	3,665,650
2020-2022	1,220,000	53,203	1,273,203
	<u>\$ 7,720,000</u>	<u>\$ 1,817,304</u>	<u>\$ 9,537,304</u>

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

Note H	
Bonds	\$ 7,720,000
Issue Costs/Premium/Discounts on Bond Issues	(221,773)
Accumulated Amortization	62,676
Statement of Net Assets	<u>\$ 7,560,903</u>
Long-Term Per Government Wide Financial Statements	\$ 6,825,903
Current Portion	735,000
Statement of Net Assets	<u>\$ 7,560,903</u>

**NOTE I: COMMITMENTS**

The District has no construction commitments on June 30, 2009.

**NOTE J: PENSION PLAN**

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

Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered salary. The 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 the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$583,312, \$543,718 and \$523,227, respectively, which equal the amount of the required contributions for each fiscal year.

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

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

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

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

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

The Retiree Health Care 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 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The District's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$58,182, \$57,675 and \$57,288, respectively, which equal the required contributions for each year.

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

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

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

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

**NOTE M: INSURANCE COVERAGE**

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

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

**NOTE N. SURETY BOND**

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

**NOTE O. JOINT POWERS AGREEMENT**

Cloudcroft Municipal Schools entered into a joint powers agreement with the Region 9 Education Cooperative (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94142 among others.

There are seven schools that participate in the REC, they are Ruidoso, Capitan, Carrizozo, Cloudcroft, Corona, Hondo and Tularosa. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC passed-through \$166,897 to the District in the following special revenue funds:

24106	IDEA, Part B Entitlement
27200	IDEA, State Directed

The REC is its own fiscal agent and is responsible for its audit. The financial statements were prepared by an IPA and are available for inspection at the REC office located at 1400 Sudderth Dr. Ruidoso, NM 88345.

**NOTE P: RESTATEMENTS**

The Net Assets were restated by \$265,635 and the Fund Balances were restated by \$12,812 for the following reasons:

Accrued interest was restated by \$212,525 the difference in what was reported on last years audit of \$285,505 and the correct amount of \$72,980. Accrued interest is the amount due from the last date interest was paid until year end not the amount due within the next twelve months.

There was a bond issue in the prior year. The issue costs were not included on the Statement of Net Assets of \$43,961 nor was the related amortization of the issue costs of \$3,663 included in the Statement of Activities for a net restatement to Net Assets of \$40,298.

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2009

---

The Net Assets and Fund Balances were restated for a classification problem. The cash balance in the following funds was incorrectly stated as deferred revenue rather than fund balance. If the cash has not been spent at year end and there is not a deadline as to when the cash must be spent, it may be carried over to the next year and budgeted rather than returned to the state or grantor. The correct classification should be fund balance rather than deferred revenue.

26172	Spectrum Leasing	\$	622
27117	Ed Tech		8,882
27138	Incentives for School Improvement		2,450
27145	Libraries GO Bonds		146
27154	Beginning Teachers		629
28140	Coordinated Approach to Child Health		83
		\$	<u>12,812</u>

Cash balances and deferred revenue which have no effect on Net Assets or Fund Balances were also restated as follows:

	As Stated	Restatement	Correct Balance
24101 Title I	\$ (4,269)	\$ (13,635)	(17,904)
24106 IDEA B, Entitlement	0	637	637
24107 IDEA B, Discretionary	0	(9,603)	(9,603)
	\$ <u>(4,269)</u>	\$ <u>(22,601)</u>	<u>(26,870)</u>

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 CAPITAL PROJECTS FUND-BOND BUILDING-31100  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 5,000	\$ 5,000	\$ 4,984	\$ (16)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>4,984</u>	<u>(16)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Building Improvements	2,397,510	2,616,008	2,055,291	560,717
Total Capital Outlay	<u>2,397,510</u>	<u>2,616,008</u>	<u>2,055,291</u>	<u>560,717</u>
Total Expenditures	<u>2,397,510</u>	<u>2,616,008</u>	<u>2,055,291</u>	<u>560,717</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,392,510)</u>	<u>(2,611,008)</u>	<u>(2,050,307)</u>	<u>560,701</u>
<b>Other Financing Sources</b>				
Bond Proceeds	1,750,000	1,750,000	1,750,000	0
Total Other Sources	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>0</u>
Net Change in Cash Balance	(642,510)	(861,008)	(300,307)	560,701
Cash Balance Beginning of Year	<u>2,179,012</u>	<u>2,179,012</u>	<u>2,179,012</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,536,502</u>	\$ <u>1,318,004</u>	\$ <u>1,878,705</u>	\$ <u>560,701</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis				\$ (300,307)
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis				\$ <u>(300,307)</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 CAPITAL PROJECTS FUND-SPECIAL CAPITAL OUTLAY-STATE-31400  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 147,546	\$ 324,281	\$ 221,179	\$ (103,102)
Total Revenues	<u>147,546</u>	<u>324,281</u>	<u>221,179</u>	<u>(103,102)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Fixed Assets	147,041	323,776	248,614	75,162
Total Capital Outlay	<u>147,041</u>	<u>323,776</u>	<u>248,614</u>	<u>75,162</u>
Total Expenditures	<u>147,041</u>	<u>323,776</u>	<u>248,614</u>	<u>75,162</u>
Excess (Deficiency) of Revenues Over Expenditures	505	505	(27,435)	(27,940)
Cash Balance Beginning of Year	<u>(505)</u>	<u>(505)</u>	<u>(505)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(27,940)</u>	\$ <u>(27,940)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (27,435)	
Net change in Due from Grantor			<u>27,435</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
CAPITAL PROJECT FUND-SENATE BILL NINE-31700  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 265,110	\$ 265,110	\$ 272,067	\$ 6,957
Investment Income	500	500	617	117
State Grant	0	0	4,800	4,800
Total Revenues	<u>265,610</u>	<u>265,610</u>	<u>277,484</u>	<u>11,874</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>100,000</u>	<u>100,000</u>	<u>98,810</u>	<u>1,190</u>
Total Instruction	<u>100,000</u>	<u>100,000</u>	<u>98,810</u>	<u>1,190</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>2,651</u>	<u>3,651</u>	<u>2,721</u>	<u>930</u>
Total Support Services- General Administration	<u>2,651</u>	<u>3,651</u>	<u>2,721</u>	<u>930</u>
<b>Operation &amp; Maintenance of Plant</b>				
Supplies	40,000	40,000	20,260	19,740
Purchased Property Services	<u>150,000</u>	<u>184,884</u>	<u>96,790</u>	<u>88,094</u>
Total Operation & Maintenance of Plant	<u>190,000</u>	<u>224,884</u>	<u>117,050</u>	<u>107,834</u>
<b>Capital Outlay</b>				
Fixed Assets	<u>61,390</u>	<u>37,500</u>	<u>25,094</u>	<u>12,406</u>
Total Capital Outlay	<u>61,390</u>	<u>37,500</u>	<u>25,094</u>	<u>12,406</u>
Total Expenditures	<u>354,041</u>	<u>366,035</u>	<u>243,675</u>	<u>122,360</u>
Excess (Deficiency) of Revenues Over Expenditures	(88,431)	(100,425)	33,809	134,234
Cash Balance Beginning of Year	<u>191,115</u>	<u>191,115</u>	<u>191,115</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 102,684</u>	<u>\$ 90,690</u>	<u>\$ 224,924</u>	<u>\$ 134,234</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 33,809	
Net Change in Taxes Receivable			<u>95</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 33,904</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
DEBT SERVICE FUND-41000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 850,506	\$ 850,506	\$ 930,218	\$ 79,712
Investment Income	7,000	7,000	3,685	(3,315)
Total Revenues	<u>857,506</u>	<u>857,506</u>	<u>933,903</u>	<u>76,397</u>
<b>Expenditures</b>				
Support Services-General Administration				
Purchased Services	10,000	10,000	9,303	697
Total Support Services- General Administration	<u>10,000</u>	<u>10,000</u>	<u>9,303</u>	<u>697</u>
Debt Service				
Principal	565,000	565,000	565,000	0
Interest	285,506	285,563	285,563	0
Total Debt Service	<u>850,506</u>	<u>850,563</u>	<u>850,563</u>	<u>0</u>
Total Expenditures	<u>860,506</u>	<u>860,563</u>	<u>859,866</u>	<u>697</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,000)	(3,057)	74,037	77,094
Cash Balance Beginning of Year	<u>854,776</u>	<u>854,776</u>	<u>854,776</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 851,776</u>	<u>\$ 851,719</u>	<u>\$ 928,813</u>	<u>\$ 77,094</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 74,037	
Net change in Taxes Receivable			301	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 74,338</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

### **NONMAJOR SPECIAL REVENUE FUNDS**

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

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

**IDEA Part B, Discretionary (24107).** To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

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

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

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

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

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

**Rural Education Achievement Program (25233).** To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

**Hubbard Foundation (26146).** To account for monies received from the RD and Joan Dale Hubbard Foundation for the Quality of Life Program. The fund was created by grant provisions.

**NONMAJOR SPECIAL REVENUE FUNDS**

**Spectrum Leasing (26172).** To account for the monies received from Spectrum Leasing to pay for Xerox copier leases. The fund was created by grant provisions.

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

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

**Library GO Bonds (27145).** To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

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

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

**Student Travel (27165).** To account for funds from the stat to be used for curriculum based or service learning outdoor education programming and projects, transportation of students to outdoor educational sites, or professional development for teachers and/or staff. The fund was created by state

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

**IDEA State Directed (27200).** To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

**Coordinated Approach to Children (28140)** Funding for a research-based physical activity and nutrition diabetes prevention program. Includes components of nutrition, physical activity, family involvement and school food service.

**Center for Teaching Excellence (28156)** To account for funds received to provide resources the teachers to improve skills and achieve teaching excellence. The fund was created by grant provisions.

**French Grant from NMSU (29102)** To account for funds received from NMSU for the purpose of providing materials and supplies to supplement the foreign language learning department. The fund was created by grant provisions.

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	Food Service 21000	Athletics 22000	IDEA, Part B Discretionary 24107
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 24,128	\$ 2,996	\$ 0
Due from Grantor	0	0	0
Inventory	2,581	0	0
Total Assets	<u>\$ 26,709</u>	<u>\$ 2,996</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	2,581	0	0
Undesignated Reported in Special Revenue	<u>24,128</u>	<u>2,996</u>	<u>0</u>
Total Fund Balance	<u>26,709</u>	<u>2,996</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 26,709</u>	<u>\$ 2,996</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	IDEA Preschool 24109	Title V 24150	Teacher Principal Training 24154
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 621	\$ 0
Due from Grantor	0	0	928
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 621</u>	<u>\$ 928</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 538
Interfund Balance	0	0	390
Deferred Revenue	0	621	0
Total Liabilities	<u>0</u>	<u>621</u>	<u>928</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated Reported in Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 621</u>	<u>\$ 928</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	Safe & Drug Free Schools 24157	Title XIX Medicaid 25153	Rural Education Achievement Program 25233
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 5,062	\$ 10
Due from Grantor	1,175	0	669
Inventory	0	0	0
Total Assets	<u>\$ 1,175</u>	<u>\$ 5,062</u>	<u>\$ 679</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 679
Interfund Balance	1,175	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,175</u>	<u>0</u>	<u>679</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated Reported in Special Revenue	0	5,062	0
Total Fund Balance	<u>0</u>	<u>5,062</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,175</u>	<u>\$ 5,062</u>	<u>\$ 679</u>

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	Hubbard Foundation <u>26146</u>	Spectrum Leasing <u>26172</u>	Ed Tech <u>27117</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 8,270
Due from Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,270</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 1,298
Interfund Balance	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,298</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated Reported in Special Revenue	<u>0</u>	<u>0</u>	<u>6,972</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>6,972</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,270</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	Incentives For School Improvement <u>27138</u>	Libraries GO Bonds <u>27145</u>	Beginning Teachers <u>27154</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,375	\$ 146	\$ 957
Due from Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 1,375</u>	<u>\$ 146</u>	<u>\$ 957</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated Reported in Special Revenue	<u>1,375</u>	<u>146</u>	<u>957</u>
Total Fund Balance	<u>1,375</u>	<u>146</u>	<u>957</u>
Total Liabilities and Fund Balance	<u>\$ 1,375</u>	<u>\$ 146</u>	<u>\$ 957</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	School Improvement <u>27164</u>	Legislative Appropriation <u>27165</u>	Libraries <u>27170</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	0	0	1,969
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,969</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	1,969
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>1,969</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated Reported in Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,969</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	IDEA State Directed <u>27200</u>	Coordinated Approach to Child Health <u>28140</u>	Center for Teaching Excellence <u>28156</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,394	\$ 203	\$ 0
Due from Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 8,394</u>	<u>\$ 203</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payable	\$ 320	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>320</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated Reported in Special Revenue	<u>8,074</u>	<u>203</u>	<u>0</u>
Total Fund Balance	<u>8,074</u>	<u>203</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 8,394</u>	<u>\$ 203</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2009

---

	French Grant from NMSU 28156	Total
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,751	\$ 56,913
Due from Grantor	0	4,741
Inventory	0	2,581
Total Assets	<u>\$ 4,751</u>	<u>\$ 64,235</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts Payable	\$ 0	\$ 2,835
Interfund Balance	0	3,534
Deferred Revenue	0	621
Total Liabilities	<u>0</u>	<u>6,990</u>
Fund Balance		
Reserved for Inventory	0	2,581
Undesignated Reported in Special Revenue	<u>4,751</u>	<u>54,664</u>
Total Fund Balance	<u>4,751</u>	<u>57,245</u>
Total Liabilities and Fund Balance	<u>\$ 4,751</u>	<u>\$ 64,235</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Food Service 21000	Athletics 22000	IDEA, Part B Discretionary 24107
<b>Revenues</b>			
Investment Income	\$ 15	\$ 0	\$ 0
Fees	36,310	15,905	0
State & Local Grants	0	0	0
Federal Grants	84,032	0	0
Total Revenues	<u>120,357</u>	<u>15,905</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	16,502	0
Support Services-Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Central Services	0	0	0
Food Services Operations	113,340	0	0
Total Expenditures	<u>113,340</u>	<u>16,502</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,017</u>	<u>(597)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>7,017</u>	<u>(597)</u>	<u>0</u>
Fund Balances at Beginning of Year	19,692	3,593	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>19,692</u>	<u>3,593</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 26,709</u>	<u>\$ 2,996</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	IDEA Preschool 24109	Title V 24150	Teacher Principal Training 24154
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	1,243	0	14,234
Total Revenues	<u>1,243</u>	<u>0</u>	<u>14,234</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Instruction	0	0	0
Support Services-Students	1,243	0	0
Support Services-General Administration	0	0	14,234
Central Services	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>1,243</u>	<u>0</u>	<u>14,234</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement		0	
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Safe & Drug Free Schools 24157	Title XIX Medicaid 25153	Rural Education Achievement Program 25233
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	4,398	15,500	24,097
Total Revenues	<u>4,398</u>	<u>15,500</u>	<u>24,097</u>
<b>Expenditures</b>			
Current			
Instruction	1,398	0	24,097
Support Services-Instruction	0	0	0
Support Services-Students	0	10,438	0
Support Services-General Administration	3,000	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>4,398</u>	<u>10,438</u>	<u>24,097</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>5,062</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>5,062</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 5,062</u>	<u>\$ 0</u>

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

---

	Hubbard Foundation <u>26146</u>	Spectrum Leasing <u>26172</u>	Ed Tech <u>27117</u>
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	2,384	7,628
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>2,384</u>	<u>7,628</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Instruction	0	0	0
Support Services-Students	0	0	9,538
Support Services-General Administration	0	0	0
Central Services	0	3,006	0
Food Services Operations	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,006</u>	<u>9,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(622)</u>	<u>(1,910)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	<u>(43)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(43)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(43)</u>	<u>(622)</u>	<u>(1,910)</u>
Fund Balances at Beginning of Year	43	0	0
Restatement	<u>0</u>	<u>622</u>	<u>8,882</u>
Restated Beginning Fund Balance	<u>43</u>	<u>622</u>	<u>8,882</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,972</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	Incentives For School Improvement 27138	Libraries GO Bonds 27145	Beginning Teachers 27154
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	1,003
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>1,003</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	675
Support Services-Instruction	0	0	0
Support Services-Students	2,012	0	0
Support Services-General Administration	0	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>2,012</u>	<u>0</u>	<u>675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,012)</u>	<u>0</u>	<u>328</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(2,012)</u>	<u>0</u>	<u>328</u>
Fund Balances at Beginning of Year	937	0	0
Restatement	2,450	146	629
Restated Beginning Fund Balance	<u>3,387</u>	<u>146</u>	<u>629</u>
Fund Balance End of Year	<u>\$ 1,375</u>	<u>\$ 146</u>	<u>\$ 957</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	School Improvement <u>27164</u>	Legislative Appropriation <u>27165</u>	Libraries <u>27170</u>
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	3,395	7,420
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>3,395</u>	<u>7,420</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Instruction	0	0	7,420
Support Services-Students	0	3,395	0
Support Services-General Administration	0	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>0</u>	<u>3,395</u>	<u>7,420</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

	IDEA State Directed <u>27200</u>	Coordinated Approach to Child Health <u>28140</u>	Center for Teaching Excellence <u>28156</u>
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	615	1,331
Federal Grants	<u>75,757</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>75,757</u>	<u>615</u>	<u>1,331</u>
<b>Expenditures</b>			
Current			
Instruction	53,600	0	0
Support Services-Instruction	0	495	1,331
Support Services-Students	14,083	0	0
Support Services-General Administration	0	0	0
Central Services	0	0	0
Food Services Operations	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>67,683</u>	<u>495</u>	<u>1,331</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,074</u>	<u>120</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>8,074</u>	<u>120</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>0</u>	<u>83</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>83</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 8,074</u>	<u>\$ 203</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2009

---

	French Grant from NMSU 29102	Total
	<u>          </u>	<u>          </u>
<b>Revenues</b>		
Investment Income	\$ 0	\$ 15
Fees	0	52,215
State & Local Grants	5,000	28,776
Federal Grants	0	219,261
<b>Total Revenues</b>	<u>5,000</u>	<u>300,267</u>
<b>Expenditures</b>		
<b>Current</b>		
Instruction	0	96,272
Support Services-Instruction	249	9,495
Support Services-Students	0	40,709
Support Services-General Administration	0	17,234
Central Services	0	3,006
Food Services Operations	0	113,340
<b>Total Expenditures</b>	<u>249</u>	<u>280,056</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>4,751</u>	<u>20,211</u>
<b>Other Financing Sources (Uses)</b>		
Transfers	0	(43)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(43)</u>
<b>Net Change in Fund Balance</b>	<u>4,751</u>	<u>20,168</u>
<b>Fund Balances at Beginning of Year</b>	0	24,265
Restatement	0	12,812
<b>Restated Beginning Fund Balance</b>	<u>0</u>	<u>37,077</u>
<b>Fund Balance End of Year</b>	<u>\$ 4,751</u>	<u>\$ 57,245</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-FOOD SERVICE-21000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 100	\$ 100	\$ 15	\$ (85)
Fees	43,420	43,420	36,310	(7,110)
Federal Grants	80,000	80,000	73,877	(6,123)
Total Revenues	<u>123,520</u>	<u>123,520</u>	<u>110,202</u>	<u>(13,318)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Personnel Services	39,509	39,509	33,611	5,898
Employee Benefits	19,970	19,966	18,246	1,720
Professional & Tech Services	250	255	175	80
Other Purchased Services	300	300	202	98
Supplies	63,576	63,575	50,753	12,822
Total Food Service Operations	<u>123,605</u>	<u>123,605</u>	<u>102,987</u>	<u>20,618</u>
Total Expenditures	<u>123,605</u>	<u>123,605</u>	<u>102,987</u>	<u>20,618</u>
Excess (Deficiency) of Revenues Over Expenditures	(85)	(85)	7,215	7,300
Cash Balance Beginning of Year	<u>16,913</u>	<u>16,913</u>	<u>16,913</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 16,828</u>	<u>\$ 16,828</u>	<u>\$ 24,128</u>	<u>\$ 7,300</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,215	
Net change in Inventory			<u>(198)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 7,017</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-ATHLETICS-22000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 20,247	\$ 20,247	\$ 15,905	\$ (4,342)
Total Revenues	<u>20,247</u>	<u>20,247</u>	<u>15,905</u>	<u>(4,342)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	3,500	3,500	2,339	1,161
Other Purchased Services	1,750	1,750	0	1,750
Supplies	18,553	18,553	14,163	4,390
Total Instruction	<u>23,803</u>	<u>23,803</u>	<u>16,502</u>	<u>7,301</u>
Total Expenditures	<u>23,803</u>	<u>23,803</u>	<u>16,502</u>	<u>7,301</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,556)	(3,556)	(597)	2,959
Cash Balance Beginning of Year	<u>3,593</u>	<u>3,593</u>	<u>3,593</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 2,996</u>	<u>\$ 2,959</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis				\$ <u>(597)</u>
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis				\$ <u>(597)</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-IDEA, PART B DISCRETIONARY-24107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources</b>				
Transfers	0	0	9,603	9,603
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>9,603</u>	<u>9,603</u>
Net Change in Cash Balance	<u>0</u>	<u>0</u>	<u>9,603</u>	<u>9,603</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>(9,603)</u>	<u>(9,603)</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,603)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,603	
Net Change in Due from Grantor			<u>(9,603)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 2,000	\$ 2,000	\$ 1,243	\$ (757)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,243</u>	<u>(757)</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	2,000	2,000	1,243	757
Total Support Services-Stude	<u>2,000</u>	<u>2,000</u>	<u>1,243</u>	<u>757</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,243</u>	<u>757</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TITLE V-24150  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 3,261	\$ 3,261	\$ 3,882	\$ 621
Total Revenues	<u>3,261</u>	<u>3,261</u>	<u>3,882</u>	<u>621</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services- Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,261	3,261	3,882	621
Cash Balance Beginning of Year	<u>(3,261)</u>	<u>(3,261)</u>	<u>(3,261)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 621</u>	<u>\$ 621</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,882	
Net Change in Due from Grantor			<u>(3,882)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING-24154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 22,854	\$ 22,854	\$ 13,306	\$ (9,548)
Total Revenues	<u>22,854</u>	<u>22,854</u>	<u>13,306</u>	<u>(9,548)</u>
<b>Expenditures</b>				
Support Services-General Administration				
Supplies	<u>22,854</u>	<u>22,854</u>	<u>13,696</u>	<u>9,158</u>
Total Support Services- Instruction	<u>22,854</u>	<u>22,854</u>	<u>13,696</u>	<u>9,158</u>
Total Expenditures	<u>22,854</u>	<u>22,854</u>	<u>13,696</u>	<u>9,158</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(390)	(390)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (390)</u>	<u>\$ (390)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (390)	
Net Change in Due from Grantor			928	
Net Change in Accounts Payable			<u>(538)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITIES-24157  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 545	\$ 4,405	\$ 3,223	\$
Total Revenues	<u>545</u>	<u>4,405</u>	<u>3,223</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	545	1,405	1,398	7
Total Instruction	<u>545</u>	<u>1,405</u>	<u>1,398</u>	<u>7</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	3,000	3,000	0
Total Support Services- General Administration	<u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Total Expenditures	<u>545</u>	<u>4,405</u>	<u>4,398</u>	<u>7</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,175)	(1,175)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(1,175)</u>	\$ <u>(1,175)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,175)	
Net Change in Due from Grantor			<u>1,175</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TITLE XIX MEDICAID-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 0	\$ 12,500	\$ 15,500	\$ 3,000
Total Revenues	<u>0</u>	<u>12,500</u>	<u>15,500</u>	<u>3,000</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	0	8,201	6,150	2,051
Employee Benefits	0	1,373	1,362	11
Supplies	0	2,926	2,926	0
Total Support Services-Students	<u>0</u>	<u>12,500</u>	<u>10,438</u>	<u>1,887</u>
Total Expenditures	<u>0</u>	<u>12,500</u>	<u>10,438</u>	<u>1,887</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	5,062	5,062
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,062</u>	<u>\$ 5,062</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>5,062</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>5,062</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Programs	\$ 2,998	\$ 57,746	\$ 26,425	\$ (31,321)
Total Revenues	<u>2,998</u>	<u>57,746</u>	<u>26,425</u>	<u>(31,321)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	54,748	23,417	31,331
Total Instruction	<u>0</u>	<u>54,748</u>	<u>23,417</u>	<u>31,331</u>
Total Expenditures	<u>0</u>	<u>54,748</u>	<u>23,417</u>	<u>31,331</u>
Excess (Deficiency) of Revenues Over Expenditures	2,998	2,998	3,008	10
Cash Balance Beginning of Year	<u>(2,998)</u>	<u>(2,998)</u>	<u>(2,998)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>10</u>	\$ <u>10</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,008	
Net Change in Due from Grantor			(2,328)	
Net Change in Accounts Payable			(680)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-HUBBARD FOUNDATION-26146  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Local Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies				0
Total Support Services- Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
<b>Other Financing Sources</b>				
Transfers	<u>0</u>	<u>0</u>	<u>(43)</u>	<u>(43)</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>(43)</u>	<u>(43)</u>
Net Change in Cash Balance	0	0	(43)	(43)
Cash Balance Beginning of Year	<u>43</u>	<u>43</u>	<u>43</u>	<u>0</u>
Cash Balance End of Year	\$ <u>43</u>	\$ <u>43</u>	\$ <u>0</u>	\$ <u>0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-SPECTRUM LEASING CONTRACT-26172  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Local Grant	\$ 14,833	\$ 14,833	\$ 2,384	\$ (12,449)
Total Revenues	<u>14,833</u>	<u>14,833</u>	<u>2,384</u>	<u>(12,449)</u>
<b>Expenditures</b>				
<b>Central Services</b>				
Professional & Tech Services	15,455	15,455	3,006	12,449
Total Central Service	<u>15,455</u>	<u>15,455</u>	<u>3,006</u>	<u>12,449</u>
Total Expenditures	<u>15,455</u>	<u>15,455</u>	<u>3,006</u>	<u>12,449</u>
Excess (Deficiency) of Revenues Over Expenditures	(622)	(622)	(622)	0
Cash Balance Beginning of Year	<u>622</u>	<u>622</u>	<u>622</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (622)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (622)</u>	

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-ED TECH-27117  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 16,596	\$ 7,628	\$ (8,968)
Total Revenues	<u>0</u>	<u>16,596</u>	<u>7,628</u>	<u>(8,968)</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	<u>8,882</u>	<u>16,596</u>	<u>8,240</u>	<u>8,356</u>
Total Support Services- Students	<u>8,882</u>	<u>16,596</u>	<u>8,240</u>	<u>8,356</u>
Total Expenditures	<u>8,882</u>	<u>16,596</u>	<u>8,240</u>	<u>8,356</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,882)	0	(612)	8,356
Cash Balance Beginning of Year	<u>8,882</u>	<u>8,882</u>	<u>8,882</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 8,882</u>	<u>\$ 8,270</u>	<u>\$ 8,356</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (612)	
Net change in Accounts Payable			<u>(1,298)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,910)</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	<u>3,387</u>	<u>3,387</u>	<u>2,012</u>	<u>1,375</u>
Total Support Services- Students	<u>3,387</u>	<u>3,387</u>	<u>2,012</u>	<u>1,375</u>
Total Expenditures	<u>3,387</u>	<u>3,387</u>	<u>2,012</u>	<u>1,375</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,387)	(3,387)	(2,012)	1,375
Cash Balance Beginning of Year	<u>3,387</u>	<u>3,387</u>	<u>3,387</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,375</u>	\$ <u>1,375</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(2,012)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(2,012)</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	146	146	0	146
Total Support Services- Students	<u>146</u>	<u>146</u>	<u>0</u>	<u>146</u>
Total Expenditures	<u>146</u>	<u>146</u>	<u>0</u>	<u>146</u>
Excess (Deficiency) of Revenues Over Expenditures	(146)	(146)	0	146
Cash Balance Beginning of Year	<u>146</u>	<u>146</u>	<u>146</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 146</u>	<u>\$ 146</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-BEGINNING TEACHER-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 374	\$ 1,003	\$ 629
Total Revenues	<u>0</u>	<u>374</u>	<u>1,003</u>	<u>629</u>
<b>Expenditures</b>				
Support Services-Instruction				
Other Purchased Services	629	1,003	675	328
Total Support Services- Instruction	<u>629</u>	<u>1,003</u>	<u>675</u>	<u>328</u>
Total Expenditures	<u>629</u>	<u>1,003</u>	<u>675</u>	<u>328</u>
Excess (Deficiency) of Revenues Over Expenditures	(629)	(629)	328	328
Cash Balance Beginning of Year	<u>629</u>	<u>629</u>	<u>629</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 957</u>	<u>\$ 328</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>328</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>328</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-SCHOOL IMPROVEMENT-27164  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 625	\$ 625	\$ 625	\$ 0
Total Revenues	<u>625</u>	<u>625</u>	<u>625</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	0	0	0	0
Total Support Services- Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	625	625	625	0
Cash Balance Beginning of Year	<u>(625)</u>	<u>(625)</u>	<u>(625)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 625	
Net Change in Due from Grantor			<u>(625)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-LEGISLATIVE APPROPRIATION-27165  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 25,136	\$ 28,531	\$ 28,531	\$ 0
Total Revenues	<u>25,136</u>	<u>28,531</u>	<u>28,531</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	0	3,395	3,395	0
Total Support Services- Students	<u>0</u>	<u>3,395</u>	<u>3,395</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,395</u>	<u>3,395</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	25,136	25,136	25,136	0
Cash Balance Beginning of Year	<u>(25,136)</u>	<u>(25,136)</u>	<u>(25,136)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 25,136	
Net change in Due from Grantor			<u>(25,136)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-LIBRARIES-27170  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 1,952	\$ 9,741	\$ 7,403	\$ (2,338)
Total Revenues	<u>1,952</u>	<u>9,741</u>	<u>7,403</u>	<u>(2,338)</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	0	7,789	7,420	369
Total Support Services- Instruction	<u>0</u>	<u>7,789</u>	<u>7,420</u>	<u>369</u>
Total Expenditures	<u>0</u>	<u>7,789</u>	<u>7,420</u>	<u>369</u>
Excess (Deficiency) of Revenues Over Expenditures	1,952	1,952	(17)	(1,969)
Cash Balance Beginning of Year	<u>(1,952)</u>	<u>(1,952)</u>	<u>(1,952)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,969)</u>	<u>\$ (1,969)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (17)	
Net change in Due from Grantor			<u>17</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-IDEA STATE DIRECTED-27200  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 85,360	\$ 85,360	\$ 0
Total Revenues	<u>0</u>	<u>85,360</u>	<u>85,360</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	27,512	25,381	2,131
Employee Benefits	0	19,854	19,854	0
Supplies	0	8,572	8,044	528
Total Instruction	<u>0</u>	<u>55,938</u>	<u>53,279</u>	<u>2,659</u>
<b>Support Services-Students</b>				
Professional & Tech Services	0	14,084	14,084	0
Total Support Services- Students	<u>0</u>	<u>14,084</u>	<u>14,084</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>70,022</u>	<u>67,363</u>	<u>2,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>15,338</u>	<u>17,997</u>	<u>2,659</u>
<b>Other Financing Uses</b>				
Transfers	0	(9,603)	(9,603)	0
Total Other Financing Sources	<u>0</u>	<u>(9,603)</u>	<u>(9,603)</u>	<u>0</u>
Net Change in Cash Balance	0	5,735	8,394	2,659
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 5,735</u>	<u>\$ 8,394</u>	<u>\$ 2,659</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,394	
Net Change in Accounts Payable			<u>(320)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,074</u>	

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



STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-COORDINATED APPROACH TO CHILD HEALTH-28140  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 500	\$ 500	\$ 615	\$ 115
Total Revenues	<u>500</u>	<u>500</u>	<u>615</u>	<u>115</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	<u>500</u>	<u>500</u>	<u>495</u>	<u>5</u>
Total Support Services- Instruction	<u>500</u>	<u>500</u>	<u>495</u>	<u>5</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>495</u>	<u>5</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	120	120
Cash Balance Beginning of Year	<u>83</u>	<u>83</u>	<u>83</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 83</u>	<u>\$ 83</u>	<u>\$ 203</u>	<u>\$ 120</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 120</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 120</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-CENTER FOR TEACHING EXCELLENCE-28156  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 1,500	\$ 1,500	\$ 1,331	\$ (169)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,331</u>	<u>(169)</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	<u>1,500</u>	<u>1,500</u>	<u>1,331</u>	<u>169</u>
Total Support Services- Instruction	<u>1,500</u>	<u>1,500</u>	<u>1,331</u>	<u>169</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,331</u>	<u>169</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-FRENCH GRANT FROM NMSU-29102  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Local Grant	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	5,000	5,000	249	4,751
Total Support Services- Instruction	<u>5,000</u>	<u>5,000</u>	<u>249</u>	<u>4,751</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>249</u>	<u>4,751</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	4,751	4,751
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,751</u>	<u>\$ 4,751</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>4,751</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,751</u>	

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

## OTHER SUPPLEMENTAL INFORMATION

**FIDUCIARY FUND**

**Activity Trust Fund**

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 AGENCY FUNDS  
 Statement of Fiduciary Assets and Liabilities-Agency Fund  
 For the Year Ended June 30, 2009

---

	Beginning Balance <u>06/30/08</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>06/30/09</u>
<b>ASSETS</b>				
Activity Trust Fund	\$ 79,055	\$ 103,892	\$ 90,051	\$ 92,896
Total Assets	<u>\$ 79,055</u>	<u>\$ 103,892</u>	<u>\$ 90,051</u>	<u>\$ 92,896</u>
<b>LIABILITIES</b>				
Due To Student Groups	\$ 79,055	\$ 103,892	\$ 90,051	\$ 92,896
Total Liabilities	<u>\$ 79,055</u>	<u>\$ 103,892</u>	<u>\$ 90,051</u>	<u>\$ 92,896</u>

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Statement of Fiduciary Assets and Liabilities-Agency Fund  
 For the Year Ended June 30, 2009

		Balance		Additions		Deletions		Balance
ASSETS		06/30/08						06/30/09
23800	Interest Income Fund	\$ 7,701	\$	557	\$	33	\$	8,225
23802	Administrative Activity	1		1		0		2
23803	Bear Memorial Activity	750		968		500		1,218
23804	PCA Activity	0		109		0		109
23805	Annual	8,715		10,719		7,482		11,952
23806	Football Activity	3,347		820		664		3,503
23807	Basketball Activity	2,453		714		1,970		1,197
23808	Volleyball Activity	2,537		412		0		2,949
23809	Golf Activity	42		0		0		42
23810	"C" Club	4,995		16,946		12,921		9,020
23811	Cross Country	12		380		357		35
23812	Bear Pride Awards	826		0		0		826
23813	Challenge Activity	13		498		353		158
23815	Cheerleaders	748		1,543		706		1,585
23816	Wrestling	0		3,383		3,179		204
23820	Color Guard	3		0		0		3
23825	Mock Trial	637		30		0		667
23826	Drama Club	300		675		699		276
23827	Girl's Basketball	1,531		1,267		2,422		376
23830	Elementary School	4,836		9,045		11,339		2,542
23832	Elementary AR	1,048		0		0		1,048
23833	Art After School	16		234		250		0
23834	Cub Club	71		0		71		0
23835	FFA	10,396		785		1,812		9,369
23837	BPA	148		0		0		148
23838	Key Club	0		111		0		111
23840	High School Activity	1,730		2,154		2,338		1,546
23842	Rachel's Challenge	3,875		0		0		3,875
23845	Student Council	1,746		980		758		1,968
23846	National Honor Society	144		75		0		219
23847	Culinary Arts	7,766		13,822		11,144		10,444
23848	Sidliners	2,522		16,620		13,733		5,409
23850	In and Out	205		0		0		205
23855	Junior Class	259		2,978		1,435		1,802
23860	Library Fund	948		318		62		1,204
23865	MS Activity	1,917		6,070		6,264		1,723
23867	MS Spirit Club	139		0		0		139
23870	MS Student Council	1,809		2,226		1,917		2,118
23872	MS AR Activity	294		0		0		294
23873	MS Production	758		0		0		758
23875	Miscellaneous	284		0		0		284
23880	Music Club	325		1,079		885		519
23889	Builder's Club	638		4,832		2,843		2,627
23890	Science Club	1,887		2,969		3,914		942
23891	Technology Activity	683		572		0		1,255
	Total Assets	\$ 79,055	\$	103,892	\$	90,051	\$	92,896
LIABILITIES								
	Deposits Held for Others	\$ 79,055	\$	103,892	\$	90,051	\$	92,896
	Total Liabilities	\$ 79,055	\$	103,892	\$	90,051	\$	92,896

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

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Cash Reconciliations - All Funds  
For the Year Ended June 30, 2009

		Cash Balance 6/30/2008	Revenue	Expenditures	Transfer In (Out)	Restatement	Cash Balance 6/30/2009
Operational	11000	\$ 255,865	\$ 4,334,678	\$ 4,420,870	\$ 43	\$ 0	\$ 169,716
Transportation	13000	0	453,745	453,700	0	0	45
Instructional Materials	14000	6,061	43,229	30,092	0	0	19,198
Food Service	21000	16,913	110,202	102,987	0	0	24,128
Athletics	22000	3,593	15,905	16,502	0	0	2,996
Activities	23000	79,055	103,892	90,051	0	0	92,896
Federal Flowthrough	24000	(7,530)	162,871	161,659	9,603	(22,601)	(19,316)
Federal Direct	25000	(2,998)	41,925	33,854	0	0	5,073
Local Grants	26000	666	2,384	3,007	(43)	0	0
State Flowthrough	27000	(14,669)	130,550	89,105	(9,603)	0	17,173
State Direct	28000	83	1,946	1,826	0	0	203
State/Local Grants	29000	0	5,000	249	0	0	4,751
Bond Building	31100	2,179,012	1,754,984	2,055,291	0	0	1,878,705
Special CO State	31400	(505)	221,179	248,614	0	0	(27,940)
Senate Bill Nine	31700	191,115	277,484	243,675	0	0	224,924
Debt Service	41000	854,776	933,903	859,865	0	0	928,814
Total		<u>\$ 3,561,437</u>	<u>\$ 8,593,877</u>	<u>\$ 8,811,347</u>	<u>\$ 0</u>	<u>\$ (22,601)</u>	<u>\$ 3,321,366</u>

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



De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the CLOUDCROFT MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund, and the combining individual funds presented as supplemental information of the CLOUDCROFT MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated August 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting 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 the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of 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 the audit, and that, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

*De'Ann Willoughby CPA PC*

August 31, 2009

STATE OF NEW MEXICO  
**CLOUDCROFT MUNICIPAL SCHOOLS**  
Schedule of Findings and Responses  
For the Year Ended June 30, 2009

---

**Prior Year Audit Findings**

	<u>Status</u>
08-01 Capital Asset Listing	Resolved
08-02 Depreciation of Capital Assets	Resolved
08-03 Contractor/Employee Payments	Resolved
08-04 Cafeteria Inventory	Resolved
08-05 Investment Policy	Resolved
08-06 Receipt Books	Resolved
08-07 Personnel Policy	Resolved
08-08 Disbursements	Resolved
08-09 Depreciation Policy	Resolved
08-10 Procurement of Services	Resolved

**Current Year Audit Findings**

There are no current year audit findings.

**Financial Statement Preparation**

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

**Exit Conference**

An exit conference was held on August 31, 2009. Those present were Ed Vinson-Vice President, Shirley Crawford-Superintendent, Frances Traylor-Business Manager and De'Aun Willoughby CPA.