

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
JUNE 30, 2009**

Dan Austin CPA, PC
Certified Public Accountant

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 TABLE OF CONTENTS
 JUNE 30, 2009

	<u>Page</u>
TABLE OF CONTENTS	1-3
INTRODUCTORY SECTION	4
Official Roster	5
FINANCIAL SECTION	6
Independent Auditors' Report	7-8
Management's Discussion and Analysis	9-14
(Required Supplementary Information)	
BASIC FINANCIAL STATEMENTS	15
District – Wide Financial Statements	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of Total Governmental Fund Balance To Net Assets of Governmental Activities	19
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances Of Governmental Funds To The Statement of Activities –	21
Statement of Revenues and Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP)I – General Fund	22
Statement of Revenues and Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP) – Special Revenue Fund- San Juan Mesa Wind Farm	23
Statement of Revenues and Expenditures and Changes in Fund Balance Budget and Actual – Special Revenue Fund – SB-9	24
Statement of Fiduciary Assets and Liabilities – Agency Funds	25
Notes to the Basic Financial Statements	26-37
SUPPLEMENTARY INFORMATION	38
Nonmajor Governmental Funds Combining Statements:	
Combining Balance Sheet Nonmajor Governmental Funds	39
Combining Statement of Revenues, Expenditures and Changes In Fund Balances- Nonmajor Governmental Funds	40
General Fund:	
Fund Description	41
Combining Balance Sheet--General Fund	42
Combining Statement of Revenues, Expenditures And Changes in Fund Balance--General Fund	43
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)--General Fund--Operational	44
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)—Teacherage	45

**STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 TABLE OF CONTENTS
 JUNE 30, 2009**

Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Transportation	46
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Instructional Materials.	47
Special Revenue Funds:	
Fund Description	48-49
Combining Balance Sheet--Special Revenue Funds.	50
Combining Statement of Revenues, Expenditures and Changes In Fund Balance--Special Revenue Funds	51
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Food Services.	52
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Athletics	53
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Title I	54
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Idea B Entitlement.	55
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Idea B Discretionary.	56
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Idea B Preschool.	57
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Principle Training	58
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Drug Free Schools	59
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Rural Education	60
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Technology for Education.	61
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Incentives for School Imp.	62
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Fund-Beginning Teacher.	63
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Fund-Library GO Bonds	64
Debt Service Fund:	
Fund Description	65
Balance Sheet--Debt Service Fund	66
Statement of Revenues, Expenditures and Changes In Fund Balance--Debt Service Fund.	67
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Debt Service Fund.	68

**STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 TABLE OF CONTENTS
 JUNE 30, 2009**

Capital Projects Funds:	
Fund Description	69
Combining Balance Sheet-Nonmajor Capital Projects Funds	70
Combining Statement of Revenues, Expenditures And Changes in Fund Balance-Nonmajor Capital Projects Funds	71
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)-Major Fund-Capital Projects Fund Bond Building	72
Statement of Revenues and Expenditures and Changes in Fund Balance- Budget And Actual (Non GAAP)- Capital Projects Fund- Special Capital Outlay	73
Fiduciary Fund:	
Fund Description	74
Statement of Changes in Account Balances-Agency Fund	75
OTHER REPORTS	76
Supporting Schedules:	
Schedule of Deposits and Pledged Collateral Under State Requirements	77
Bank Reconciliation	78
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>	79-80
Schedule of Audit Findings, Other Disclosures and Exit Conference	81-82

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
OFFICIAL ROSTER
June 30, 2009**

BOARD OF EDUCATION

Jeff Bilberry	President
Junior Jasso	Vice-President
Garland Creighton	Secretary
Scott Burton	Member
Jenny Clemmons	Member

SCHOOL OFFICIALS

Jim Daughtery	Superintendent
Susan Lambirth	Business Manager

FINANCIAL SECTION

**Dan Austin CPA, PC
700 Mechem Drive Ste 15
Ruidoso, NM 88345**

Independent Auditors' Report

Members of the Board of Education
Elida Municipal Schools and
Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying basic financial statements of the governmental activities, each major fund, the general fund and major special revenue funds, budgetary comparisons, and the aggregate remaining fund information of the Elida Municipal Schools, State of New Mexico (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, the respective budgetary comparisons for the nonmajor governmental funds, the bond building fund, and debts service fund 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 Elida Municipal School'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.

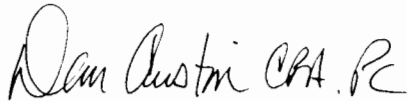
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund and major special revenue, and the aggregate remaining fund information of the Elida Municipal Schools, State of New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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2009, on our consideration of the Elida Municipal School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages nine through fourteen is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Statement of Changes in Account Balances-Agency Fund, Schedule of Deposits and Security Requirements, and the Bank Reconciliation are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Statement of Changes in Account Balances-Agency Fund, Schedule of Deposits and Security Requirements and Bank Reconciliation have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Dan Austin CPA, PE". The signature is written in a cursive style.

November 10, 2009

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

This Management Discussion and Analysis of the fiscal performance of the ELIDA MUNICIPAL SCHOOLS (District) for the period ending June 30, 2009. This written analysis is an objective and easily readable discussion of the District's financial activities.

The discussion and analysis, as well as the Statement of Net Assets and the Statement of Activities, provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2009. Fund financial statements are reported on modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards, and a Schedule of Findings and Recommendations. These statements and information were included in past audit reports.

About ELIDA MUNICIPAL SCHOOLS

To completely understand the financial discussion of ELIDA MUNICIPAL SCHOOLS, it is important to understand the nature of the District.

At Elida Schools we are able to offer the best education. Being a small district in numbers affords us the opportunity to have a great student to teacher ratio. Using technology, Elida Schools are able to offer distance learning courses not only from colleges and universities but also interconnecting with other school districts to expand course offerings. We also are in the position of having a one-to-one ratio of computers to students.

Significant Financial Highlights for the Year Ending June 30, 2009

The overall adjusted Fund Balance increased from \$516,264 for the year ending June 30, 2009, to \$581,222 for the year ending June 30, 2009. This represents a increase in the fund balance of \$64,958.

Total revenues decreased from \$2,665,215 in the year ending June 30, 2008 to \$2,540,842 in the year ending June 30, 2009. This is a decrease of \$124,373 reflecting an overall revenue decrease of 5%.

Total expenditures decreased from \$2,529,416 for the year ending June 30, 2008 to \$2,475,884 for the year ending June 30, 2009. This is an decrease in expenditures of \$53,532 or 2%.

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Assets

Because of the GASB 34 requirements this overall Statement of Net Assets, is new to the financial statements of the ELIDA MUNICIPAL SCHOOLS and is prepared using the accrual method of accounting. This statement shows that the District has total assets of \$2,020,060. The District has \$610,448 of cash and cash equivalents on hand as of June 30, 2009 compared to \$85,911 in accounts payable and other current liabilities. Net Assets totaling \$100,510 are "restricted" for debt service and capital projects. Net Assets totaling \$505,850 are "unrestricted".

**Net Assets
Government Activities**

	<u>2009</u>	<u>2008</u>
Current Assets	\$ 616,596	\$ 520,253
Other Current Assets	5,675	32,538
Capital Assets	<u>1,397,789</u>	<u>1,435,776</u>
Total Assets	\$ 2,020,060	\$ 1,988,567
Current Liabilities	\$ 85,911	\$ 88,346
Long-Term Liabilities	<u>289,472</u>	<u>356,280</u>
Total Liabilities	\$ 375,383	\$ 444,626
Net Assets:		
Invested in Capital Assets	\$ 1,038,317	\$ 1,014,496
Restricted	100,510	112,271
Unrestricted	<u>505,850</u>	<u>417,174</u>
Total Net Assets	\$ 1,644,677	\$ 1,543,941

GASB 34 rules now require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$3,276,935. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

Statement of Activities

The Statement of (Governmental) Activities is also a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the District's net assets for the fiscal year ending June 30, 2009. As of June 30, 2009 the District had net assets of \$1,644,677. The beginning year total net Assets are \$1,543,941 reflecting an increase in total net assets of \$100,736 for the year ending June 30, 2009.

**Elida Municipal Schools
Changes in Net Assets**

	<u>2009</u>	<u>2008</u>
Expenses for Governmental Activities	\$ (2,452,063)	\$ (2,362,458)
Revenue-Charges for Services	51,005	37,380
Revenue-Operating Grants	393,351	353,389
Revenue-Capital Grants	<u>17,611</u>	<u>180,254</u>
Net (Expense) Revenue	(1,990,096)	(1,791,435)
General Revenues		
Taxes	101,645	153,106
Federal and State Aid	1,981,982	1,932,593
Interest Earned	<u>7,205</u>	<u>8,464</u>
General Revenues	2,090,832	2,094,163
Change in Net Assets	100,736	302,728
Net Assets, Beginning	<u>-</u>	<u>1,241,213</u>
Net Assets, Ending	\$ 100,736	\$ 1,543,941

FUND FINANCIAL STATEMENTS

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances, guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and Federal sources were \$2,540,842. Total expenditures for the District were \$2,475,884. The total ending fund balance was \$581,222: an increase of \$64,958 from the prior year.

Multi-Year District Revenues and Expenditures

A multi-year view of overall District revenues and expenditures indicates a fluctuation in both areas. The increase of both revenues and expenditures are due to mandated salary increases and funding for such.

Year	Revenues	% Change	Expense	% Change
2003/2004	2,785,314		2,544,993	
2004/2005	1,736,925	-38%	1,850,156	-27%
2005/2006	2,178,346	25%	2,095,811	13%
2006/2007	2,267,191	4%	2,362,285	13%
2007/2008	2,665,215	18%	2,529,416	7%
2008/2009	2,540,842	-5%	2,475,884	-2%

Note: Revenues include proceeds from General Obligation Bonds and exclude cash, carryovers. Expenditures include capital outlays.

The Budget

The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop to the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The General Fund (Operational Fund), San Juan Mesa Wind Project, Senate Bill Nine, and Debt Service. In addition, thirteen (13) non-major Special Revenue Funds, Three (3) non-major Capital Projects Funds are also reported for their budgetary performance. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.

The reader will note that the General Fund represents 76% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, Food Service and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined Nonmajor funds for the fiscal year ending June 30, 2009. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds and Capital Projects Funds.

Summary of Major Expenditures

	Actual		Budgeted	
	<u>Expenditures</u>	<u>% of Total</u>	<u>Expenditures</u>	<u>% of Total</u>
General	\$ 1,882,013	76%	\$ 2,085,687	47%
San Juan Mesa Wind	288,396	12%	597,098	13%
Senate Bill 9	63,096	3%	1,295,499	29%
Debt Service	85,894	3%	85,513	2%
Other Funds	156,485	6%	402,575	9%
Total	<u>\$ 2,475,884</u>		<u>\$ 4,466,372</u>	

The original budget in the general fund was \$ 1,945,757 and the final budget was \$ 2,085,687. The difference is an increase of \$139,930. The reason for the increase is student growth and state equalization guarantee.

General Fund Revenues

The General Fund revenues represent \$1,921,426 of the total \$2,540,842 in overall District revenues. The impact of this fund must be kept in context. The General Fund began the year with an initial budget of \$1,755,863 and had a final budget of \$1,855,793. This change represents an increase of \$99,930.

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula: this fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The General Fund provides the predominant funding for athletics and food service. Because of the student growth experienced by the School District, an emphasis on schools by the New Mexico Legislature, and because the Equalization Guarantee Formula is based upon student populations, the Operational Fund has seen significant increases in revenues as seen in the following table.

Year	Revenues	% Change
2003/2004	\$ 1,055,943	
2004/2005	1,104,807	5%
2005/2006	1,664,884	51%
2006/2007	1,447,489	-13%
2007/2008	1,545,992	7%
2008/2009	1,522,251	-2%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$1,882,013 was expended in the year ending June 30, 2009. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$1,008,436 and represents 54% of all General expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. Approximately 75% of all General Fund expenditures are made for employee salaries, payroll taxes and benefits.

	Actual	
	<u>Expenditures</u>	<u>% of Total</u>
Direct Instruction	\$ 1,008,436	54%
Instructional Support	71,892	4%
Administration	168,452	9%
Business support	69,413	4%
Operation Maintenance Plant	217,383	12%
Food Services	52,772	3%
Pupil Transportation	293,665	16%
Capital Outlay	-	0%
Total	<u>\$ 1,882,013</u>	

The following discussion on the General Fund Budget will relate functional expenditures for the year ending June 30, 2009 for the General Fund. Instruction represents 54% of all General Fund expenditures. Instruction expenditures account for regular education, special education and kindergarten teachers and educational assistants' salaries, payroll taxes and benefits. School Administration Support and Student Support represents 9% of General Fund expenditures and account for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs.

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 13% of the total General Fund. Operation of the Plant account for 12% of the General Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The General Fund also supports expenditures for athletics, food service and transportation.

Capital Assets

Because of aging facilities, the District has taken an aggressive approach to maintaining existing facilities.

Asset Type	Balance	Balance	Balance
	June 30, 2007	June 30, 2008	June 30, 2009
Land and Improvements	\$ 4,094,213	\$ 4,271,348	\$ 4,319,778
Furniture and Fixtures	340,953	354,946	354,946
Total Capital Assets	4,435,166	4,626,294	4,674,724
Less Accumulated Depreciation	(3,104,540)	(3,190,518)	(3,276,935)
Capital Assets-Net	<u>\$ 1,330,626</u>	<u>\$ 1,435,776</u>	<u>\$ 1,397,789</u>

In the fiscal year ending June 30, 2009 the Statement of Revenues and Expenditures and Changes in Fund Balances shows the District expended \$48,430 for capital outlays.

General Long- Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below is the District's total general obligation debt as of June 30, 2009.

Fiscal Year Ended	Principal	Interest	Total
June 30, 2007			
2010	\$ 70,000	\$ 17,390	\$ 87,390
2011	70,000	13,872	83,872
2012	75,000	10,193	85,193
2013	80,000	6,240	86,240
2014	80,000	2,100	82,100
	<u>\$ 375,000</u>	<u>\$ 49,795</u>	<u>\$ 424,795</u>

Agency Funds

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with the Public Education Department Regulations and School District Policy. The amount held for various organizations was \$21,600.

Future Trends

Our vision at Elida Schools is to continue to provide the best in teaching, programs and facilities to provide to our children the best education possible even though the U.S. and New Mexico economies are currently strained creating many funding difficulties in future periods.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Elida Municipal Schools' finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Elida Municipal Schools, PO Box 8, Elida, NM 88116.

Basic Financial Statements

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 STATEMENT OF NET ASSETS
 June 30, 2009

	Primary Government
	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 610,448
Taxes Receivable	6,148
Due From Grantors	2,412
Inventory	<u>3,263</u>
Total Current Assets	<u>622,271</u>
Noncurrent Assets	
Net Capital Assets	<u>1,397,789</u>
Total Noncurrent Assets	<u>1,397,789</u>
Total Assets	<u>\$ 2,020,060</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 6,161
Interest Payable	9,750
Current Portion Of Long Term Debt	<u>70,000</u>
Total Current Liabilities	<u>85,911</u>
Noncurrent Liabilities	
General Obligation Bonds Payable	<u>289,472</u>
Total Noncurrent Liabilities	<u>289,472</u>
Total Liabilities	<u>375,383</u>
Net Assets	
Invested In Capital Assets, net of related debt	1,038,317
Restricted For:	
Capital Projects	31,568
Debt Service	68,942
Unrestricted	<u>505,850</u>
Total Net Assets	<u>1,644,677</u>
Total Liabilities And Net Assets	<u>\$ 2,020,060</u>

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

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 STATEMENT OF ACTIVITIES
 For The Year Ended June 30, 2009

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges For Services	Operating Grants And Contributions		Capital Grants And Contributions
Governmental Activities:					
Direct Instruction	\$ 1,117,832	\$ -	\$ 75,383	\$ -	\$ (1,042,449)
Instructional Support	116,819	-	-	-	(116,819)
Administration	171,822	-	-	-	(171,822)
Business/Support Services	71,141	-	-	-	(71,141)
Operation Maintenance Plant	541,608	-	-	17,611	(523,997)
Food Services	95,433	36,778	11,703	-	(46,952)
Athletics	18,877	14,227	-	-	(4,650)
Pupil Transportation	295,222	-	306,265	-	11,043
Interest On Long-Term Debt	23,309	-	-	-	(23,309)
Total Primary Government	\$ 2,452,063	\$ 51,005	\$ 393,351	\$ 17,611	(1,990,096)

General Revenues:

State and Local Sources	1,981,982
Property Taxes	101,645
Interest on Investments	7,205
Total General Revenues	2,090,832
Change In Net Assets	100,736
Net Assets - Beginning	1,543,941
Net Assets - Ending	\$ 1,644,677

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

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2009

		Special Revenue	Special Revenue	Debt Service	Other Governmental Funds	Totals
	General Fund	San Juan Wind Farm	SB-9 Fund	Debt Service Fund	Governmental Funds	Governmental Funds
Assets						
Cash	\$ 78,803	\$ 294,478	\$ 68,656	\$ 78,692	\$ 89,819	\$ 610,448
Taxes Receivable	430	-	1,906	3,812	-	6,148
Grants Receivable	-	-	-	-	2,412	2,412
Due From Other Funds	-	-	-	-	-	-
Inventory	-	-	-	-	3,263	3,263
Prepaid Interest	-	-	-	-	-	-
Total Assets	\$ 79,233	\$ 294,478	\$ 70,562	\$ 82,504	\$ 95,494	\$ 622,271
Liabilities And Fund Balances						
Liabilities						
Accounts Payable	\$ 5,149	\$ 1,012	\$ -	\$ -	\$ -	\$ 6,161
Deferred Revenue	430	-	1,906	3,812	18,990	25,138
Accrued Interest	-	-	-	9,750	-	9,750
Current Portion of Long-Term Debt	-	-	-	-	-	-
Total Liabilities	5,579	1,012	1,906	13,562	18,990	41,049
Fund Balances						
Reserved For Inventory	-	-	-	-	3,263	3,263
Reserved For Capital Improvements	-	-	-	-	31,658	31,658
Reserved For Debt Service	-	-	-	68,942	-	68,942
Unreserved, reported in -						
General Fund	73,654	-	-	-	-	73,654
Special Revenue Funds	-	293,466	68,656	-	41,583	403,705
Total Fund Balances	73,654	293,466	68,656	68,942	76,504	581,222
Total Liabilities And Fund Balances	\$ 79,233	\$ 294,478	\$ 70,562	\$ 82,504	\$ 95,494	\$ 622,271

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

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND
 BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
 June 30, 2009

Total Governmental Fund Balance	\$	581,222
---------------------------------	----	---------

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

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

Capital Assets	\$ 4,674,724	
Accumulated Depreciation	<u>(3,276,935)</u>	1,397,789

Deferred grant revenue on governmental funds is recognized as current income on government wide statements	25,138
--	--------

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	-
--	---

Bonds Payable	\$ (375,000)	
Bond Issue Costs	<u>15,528</u>	<u>(359,472)</u>

Net Assets of Governmental Activities	\$	<u>1,644,677</u>
---------------------------------------	----	------------------

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

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2009

	General Fund	San Juan Wind Farm	SB-9 Fund	Debt Service Fund	Other Governmental Funds	Totals Governmental Funds
Revenues						
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ 75,383	\$ 75,383
State Sources	1,898,495	-	-	-	37,411	1,935,906
Local Sources	10,422	313,000	52,457	76,986	51,852	504,717
Investment Income	116	5,554	1,236	-	299	7,205
Other	12,393	3,000	-	-	2,238	17,631
Total Revenues	<u>1,921,426</u>	<u>321,554</u>	<u>53,693</u>	<u>76,986</u>	<u>167,183</u>	<u>2,540,842</u>
Expenditures						
Current						
Direct Instruction	1,008,436	-	-	-	57,368	1,065,804
Instructional Support	71,892	-	-	-	31,100	102,992
Administration	168,452	-	-	777	-	169,229
Business/Support Services	69,413	-	-	-	-	69,413
Operation Maintenance Plant	217,383	239,095	63,096	-	9,936	529,510
Food Services	52,772	-	-	-	39,204	91,976
Athletics	-	-	-	-	18,877	18,877
Non-Instructional Support	-	-	-	-	-	-
Pupil Transportation	293,665	871	-	-	-	294,536
Capital Outlay	-	48,430	-	-	-	48,430
Debt Service						
Principal	-	-	-	65,000	-	65,000
Interest	-	-	-	20,117	-	20,117
Total Expenditures	<u>1,882,013</u>	<u>288,396</u>	<u>63,096</u>	<u>85,894</u>	<u>156,485</u>	<u>2,475,884</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>39,413</u>	<u>33,158</u>	<u>(9,403)</u>	<u>(8,908)</u>	<u>10,698</u>	<u>64,958</u>
Other Financing Sources (Uses):						
Operating Transfers Net	(3,112)	(1,126)	-	-	4,238	-
Total Other Financing Sources (Uses)	<u>(3,112)</u>	<u>(1,126)</u>	<u>-</u>	<u>-</u>	<u>4,238</u>	<u>-</u>
Net Change In Fund Balances	<u>36,301</u>	<u>32,032</u>	<u>(9,403)</u>	<u>(8,908)</u>	<u>14,936</u>	<u>64,958</u>
Fund Balances (Deficit)						
At Beginning Of Year	37,353	261,434	78,059	12,850	61,568	451,264
Restatement	-	-	-	65,000	-	65,000
Fund Balances (Deficit)						
At Beginning Of Year as Restated	<u>37,353</u>	<u>261,434</u>	<u>78,059</u>	<u>77,850</u>	<u>61,568</u>	<u>516,264</u>
Fund Balances (Deficit)						
At End Of Year	<u>\$ 73,654</u>	<u>\$ 293,466</u>	<u>\$ 68,656</u>	<u>\$ 68,942</u>	<u>\$ 76,504</u>	<u>\$ 581,222</u>

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

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 June 30, 2009

Net Change in Fund Balances - Total Governmental Funds \$ 64,958

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense was less than capital outlays in the current period.

Capital Outlays	\$ 48,430	
Depreciation expense	<u>(86,417)</u>	(37,987)

Grant Revenues recorded as deferred revenue on the governmental funds are recognized as current revenue on the government wide statements 25,138

Receivables adjusted in the Government Funds (13,211)

Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 65,000

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 is current amortization costs (3,192)

Change in Net Assets of Governmental Activities \$ 100,706

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Federal Sources	\$ 11,798	\$ 11,798	\$ 10,590	\$ (1,208)
State Sources	1,747,315	1,827,245	1,898,495	71,250
Local Sources	-	-	-	-
Investment income	-	-	116	116
Other	16,750	16,750	12,393	(4,357)
Total Revenues	1,775,863	1,855,793	1,921,594	65,801
Expenditures				
Direct Instruction	1,012,405	1,081,372	1,008,436	72,936
Instructional Support	85,231	89,106	71,892	17,214
Administration	200,154	210,437	168,452	41,985
Business Support Services	69,141	71,141	69,413	1,728
Operation Maintenance Plant	264,971	274,971	221,500	53,471
Food Services	52,663	53,663	52,772	891
Athletics	-	-	-	-
Non-Instructional Support	-	-	-	-
Pupil Transportation	251,192	294,997	294,437	560
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	1,945,757	2,085,687	1,886,902	198,785
Excess (deficiency) of revenues over expenditures	(169,894)	(229,894)	34,692	264,586
Other Financing Sources (Uses) Transfers In (Out)	-	-	(3,112)	(3,112)
Excess (deficiency) of revenues over Expenditures & Other Uses	(169,894)	(229,894)	31,580	\$ 267,698
Cash Balance at beginning of year	47,225	47,225		
Cash balance at end of year	\$ (122,669)	\$ (182,669)		
Reconciliation to GAAP Basis				
Changes in Accounts Payable			4,889	
Changes in Taxes Receivable			(168)	
Change in Due from Other Governments			-	
Excess (Deficiency) of revenues over expenditures			\$ 36,301	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Special Revenue-San Juan Mesa Wind Farm
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local Sources	\$ 313,000	\$ 313,000	\$ 313,000	\$ -
Interest Income	8,609	8,609	5,554	(3,055)
Other	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Total Revenues	<u>321,609</u>	<u>321,609</u>	<u>321,554</u>	<u>(55)</u>
Expenditures:				
Maintenance of Plant	276,147	276,147	240,491	35,656
Pupil Transportation	5,000	5,000	871	4,129
Community Services	<u>318,951</u>	<u>315,951</u>	<u>48,430</u>	<u>267,521</u>
Total Expenditures	<u>600,098</u>	<u>597,098</u>	<u>289,792</u>	<u>307,306</u>
Excess (deficiency) of revenues over expenditures	<u>(278,489)</u>	<u>(275,489)</u>	<u>31,762</u>	<u>307,251</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(1,126)</u>	<u>(1,126)</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(278,489)	(275,489)	30,636	<u>\$ 308,377</u>
Cash Balance at beginning of year	<u>263,842</u>	<u>263,842</u>		
Cash balance at end of year	<u>\$ (14,647)</u>	<u>\$ (11,647)</u>		
Reconciliation to GAAP Basis				
Changes in Accounts Payable			1,396	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 32,032</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Special Revenue Fund-SB-9
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 48,625	\$ 48,625	\$ 53,211	\$ 4,586
Local Sources	-	-	-	-
Interest Income	<u>1,482</u>	<u>1,482</u>	<u>1,235</u>	<u>(247)</u>
Total Revenues	<u>50,107</u>	<u>50,107</u>	<u>54,446</u>	<u>4,339</u>
Expenditures:				
Administration	-	-	-	-
Operation Maintenance Plant	126,055	129,549	63,096	66,453
Pupil Transportation	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>126,055</u>	<u>129,549</u>	<u>63,096</u>	<u>66,453</u>
Excess (deficiency) of revenues over expenditures	<u>(75,948)</u>	<u>(79,442)</u>	<u>(8,650)</u>	<u>70,792</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(75,948)	(79,442)	(8,650)	<u>\$ 70,792</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ (75,948)</u>	<u>\$ (79,442)</u>		
Reconciliation to GAAP Basis				
Changes in Accounts Payable			-	
Change in Deferred Property Taxes			<u>(753)</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (9,403)</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

ASSETS

Cash	\$ 21,600
	<u> </u>
Total Assets	\$ 21,600
	<u> </u>

Liabilities

Liabilities:	
Due to School Groups	\$ 21,600
	<u> </u>
Total Liabilities	\$ 21,600
	<u> </u>

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

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 1. FUNCTION OF THE ENTITY

The Elida Municipal Schools (the District) is a public school district, the function of which is to provide primary and secondary educational services for all eligible children ages 3-21 within designated district boundaries. The powers and duties of the local school board are governed by the provisions of Article 5, Chapter 22 of New Mexico Statutes Annotated, 1978. The School District operates under a five member school board form of government.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation based on the size of the government.

In June, 2001, the GASB unanimously approved Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38 *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statements 34 and should be implemented simultaneously with Statement 34. Statement 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB Statement No. 34, 37 and 38 effective July 1, 2003. As part of this Statement, there is a new reporting requirement regarding the government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

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

The District has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, for the government (district)-wide financial statements.

A. REPORTING ENTITY

The Board of Education is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. The District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. There are no component units included within the reporting entity.

B. BASIC FINANCIAL STATEMENTS – DISTRICT-WIDE STATEMENTS

The basic financial statements include both district-wide (based on the District as a whole) and fund financial statements. The new reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). The District is a public school district that engages in only governmental activities and has no component units. Both the district-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. In the district-wide Statement of Net Assets, the governmental activities are presented on the full accrual basis, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, restricted net assets and unrestricted net assets.

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

The district-wide Statement of Activities reports the gross and net cost of the District's function. The function is also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Governmental activities include programs supported primarily by taxes, state and federal grants, and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support, and therefore does not have any proprietary funds.

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

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

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All Interfund transactions between governmental funds are eliminated on the district-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the district-wide Statement of Activities.

The funds financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the district-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in various funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District does not have any proprietary funds.

The funds of the District are described below:

Major Funds:

General Fund – The General Fund is the primary operating fund for the District, and it is reported as a major governmental fund. It is used to account for all financial resources except those required to be accounted for in another fund.

San Juan Wind Farm – To account for funds received from the San Juan Mesa Wind Project. The funds are received as a payment to the Elida Schools in lieu of taxes. The fund was created by Board resolution.

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

SB9 Special Revenue Fund – To account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees.

Debt Service Fund – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the debt service fund.

Non-Major Funds:

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

Capital Projects Funds – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund, in addition to the major fund described above.

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency (fiduciary) funds.

The governmental fund statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the district-wide presentation.

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the district-wide Statement of Net Assets.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Governmental activities in the district-wide financial statement are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

Those revenues susceptible to accrual are property taxes. In accordance with GASB Statement 33, estimated taxes that are not available are recorded as both accounts receivable and deferred revenue. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received. The District received from Lincoln County all collected property taxes by year end. Estimated taxes that were not available at year end have been accrued as taxes receivable and also as deferred revenue liabilities.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

G. FINANCIAL STATEMENT AMOUNTS

1. Cash

For the purpose of the Statement of Net Assets, "cash" includes all petty cash, demand accounts, savings accounts and certificates of deposit of the District. See Note 4 A for additional cash disclosures.

2. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Prior to July 1, 2006, capital assets purchased or acquired with an original cost of \$1,000 or more were capitalized. Contributed assets are reported at fair market value as of the date received. Additions, improvements, computer software 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. Depreciation on all assets is provided on the straight-line basis with no salvage value. The estimated useful life for buildings is 30 to 50 years. The estimated useful life for equipment is 5 to 30 years.

Capital expenditures made on the District's building construction projects by the NM Public School Facilities Authority are appropriately included in the District's capital assets.

GASB Statement No. 34 requires the District to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc. The District does not own any infrastructure assets.

Library books are not reflected as capital assets because management believes the cumulative value of the library books is not of a material amount.

3. Compensated Absences

The District permits the administrative and non-administrative employees to accumulate earned but unused vacation and sick leave, however, the accrued amounts are not monetarily compensated to employees, and therefore, no accrual for compensated absences is recorded.

4. Long-Term Debt

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

5. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories in the Special Revenue Fund consist of USDA commodities and other purchased food items. The cost is recorded as an expenditure at the time individual inventory items are purchased. Any reported inventories would be 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.

6. Equity Classifications

District-Wide Statements

Equity is classified as net assets. Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent the historical costs of assets or fair value on date of receipt less accumulated depreciation on those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors or grantors. Unrestricted net assets are all other net assets that do not meet the definition of "restricted" or "invested in capital assets." It is the District's policy to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved with the unreserved further split between designated and undesignated. Reservations of fund balance are created to either satisfy legal covenants that require that a portion of the fund balance be segregated or identify the portion of the fund balance that is not appropriated for future expenditure.

7. Revenues and Expenditures

The primary source of revenue for the District is the New Mexico State Equalization Guarantee, paid to the District by the State of New Mexico, on a unit basis. In addition, the District also receives property tax revenue, and other state and federal grants.

The Lincoln County Treasurer bills and collects the District's tax levy, which is payable in two installments on November 10 and April 10. Property taxes attach as an enforceable lien on January 1. Collections by the County are remitted to the District monthly. No allowance for uncollectible taxes has been recorded since all taxes are considered collectible by the County Treasurer. As of June 30, 2009, all uncollected taxes are considered delinquent.

Expenditures are recognized when the related fund liability is incurred. The exception is that principal on long-term debt is recognized when due.

STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a government unit, the District is subject to various laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

A. BUDGETS AND BUDGETARY ACCOUNTING

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

- (1) During the month of March, school administrators attend a pre-budget workshop sponsored by the State Department of Education, Public School Budget and Finance Analysis Unit. Necessary direction and budget forms are afforded those attending in preparation of the budget.
- (2) During the months of March and April, local budget workshops are conducted to obtain input in formulating the budget. These workshops are held with the budget committee each week during the entire budget preparation cycle.
- (3) Prior to June 20 of each year, the local school board and the State Superintendent of Public Instruction, at public hearing of which notice has been published by the local school board, fix and approve the estimated budgets for the School District for the ensuing fiscal year.
- (4) The State Department of Education, School Budget Planning Unit, should:
 - a. On or before July 1 of each year, approve and certify to the local school board the estimated operating budgets for use by the local school board pending approval by the State Department of Education, School Budget Planning Unit; and
 - b. Make corrections, revisions, and amendments to the estimated budgets fixed by the local school board and the director to conform the budgets to the requirements of the law and to the Manual of Procedures for Accounting and Budgeting of the State Department of Education; and
 - c. Before the first Monday of September of each year approve and certify to the local school board the operating budgets for use by the local school board based upon the estimated budgets fixed by the local school board and the director.
- (5) Operating budgets shall not be altered or amended after approval and certification by the State Department of Education except for the following purposes and according to the following procedures:
 - a. Upon written request of the local school board, the director of the State Department of Education, School Budget Planning Unit, may authorize transfers within the budget or provide for items not included, when the total amount of the budget will not be increased thereby;
 - b. Upon written request of the local school board, the director in conformance with the regulations of the State Department of Education and with the approval of the Superintendent, may authorize an increase in any budget if the increase is necessary because of the receipt of revenue that was not anticipated at the time the budget was fixed and if the increase is directly related to a special project or program for which the additional revenue was received;
 - c. Upon written request of the local school board, the director may authorize an increase in a budget of not more than one thousand dollars (\$1000); or

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2009

- d. Upon written request of the local school board, the Administration, after notice and a public hearing, may authorize an increase in the budget in an amount exceeding one thousand dollars (\$1000). The notice of the hearing shall designate the District, which proposes to alter or amend its budget, together with the time, place and date of the hearing. The notice of the hearing shall be published at least once a week for two consecutive weeks in a newspaper of general circulation in the county in which the District is situated. The last publication of the notice shall be at least three days prior to the date set for the hearing.
- e. Budgeted adjustments were made during the year.

Expenditures may not legally exceed budgeted amounts at the function level. No funds exceeded budget in this current year.

- (6) Budgeted transfers may be made between accounts within a functional category without State Department of Education approval if the total budgeted expenditures of the function are not changed.
- (7) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue funds, Debt Service Fund, and the Capital Projects Funds.
- (8) Appropriation of funds unused during the fiscal year may be carried over to the next fiscal year by budgeting those funds in the subsequent year's budget.
- (9) To conform to the State Department of Education regulations, budgets for all funds of the District are adopted on the cash basis of accounting with the following exception:

Federal Projects – Federal categorical grants are budgeted on the grant's project year rather than the District's fiscal year and, therefore, may not reflect cash basis budgeting. Unexpended portions of prior year's programs are re-budgeted into the subsequent year's program budget. Because the programs may be incomplete at June 30, the schedules of budgeted and actual revenue and expenditures may present unrealized revenue and unexpended budget, rather than budget savings. Information included in the Schedule of Federal Awards may not fully agree with other federal award reports that the District submits directly to federal granting agencies because, among other reasons, the award reports (a) may be prepared for a different fiscal period and (b) may include cumulative (from prior years) data rather than data for the current year only. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis inconsistent with Generally Accepted Accounting Principles (GAAP). Budgetary comparisons presented for these funds in this report are on the Non-GAAP (Cash Basis) budgetary basis.

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. 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 SBPU. The appropriated budget for the year ended June 30, 2009, was properly amended by the Board through the year.

B. LONG-TERM DEBT

A summary in changes in long-term obligations follows:

	Balance 6/30/08	Additions	(Reductions)	Balance 6/30/09	Due Within One Year
5.25% GO Bonds, payable in annual Principal and interest payments maturing July 11, 2013 Dated April 1, 2001	440,000	-	(65,000)	375,000	70,000
Total Long-Term Obligations	\$ 440,000	\$ -	\$ (65,000)	\$ 375,000	\$ 70,000

**STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2009**

The annual requirements to amortize all bonded debt outstanding as of June 30, 2009, are shown below:

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on this criterion, the maximum general obligation debt permissible is \$680,350, including the current debt outstanding amount of \$375,000, based on the 2009 tax valuation.

Fiscal Year Ended June 30, 2009	Principal	Interest	Total
2010	70,000	17,390	87,390
2011	70,000	13,872	83,872
2012	75,000	10,193	85,193
2012	80,000	6,240	86,240
2013	80,000	2,100	82,100
	<u>\$ 375,000</u>	<u>\$ 49,795</u>	<u>\$ 424,795</u>

Property tax revenue recorded in the Debt Service Fund has been used to retire debt liabilities.

The reconciliation of Long-Term Debt above is reported in the Statement of Net Assets can be reconciled as follows:

Total Long-Term Debt	\$ 375,000
Current Portion of Long-Term Debt	(70,000)
Unamortized Bond Issuance Costs	<u>(15,528)</u>
Long-Term Debt 6-30-2008	<u>\$ 289,472</u>

NOTE 4. DETAIL NOTES ON ACCOUNTS AND TRANSACTION CLASSES

A. Cash

State statutes authorize the investment of school district funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations; however, they have never taken this opportunity. All funds of the District must follow the above investment policies.

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

The rate of interest in non-demand interest-bearing accounts shall not be set by the State Board of Finance, but, in no case, shall the rate of interest be less than one hundred percent of the asked price on the United States treasury bills of the same maturity on the day of deposit. Excess of funds may be temporarily invested in securities which are issued by the state or by the United States government, or by their departments or agencies and which are either direct obligations for the state or the United States or are backed by the full faith and credit of those governments.

**STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2009**

Statutes require depositories to pledge collateral against deposits in excess of the federal deposit insurance. Collateral is required in the amount of fifty percent of the uninsured deposits and requires securities to be delivered, or a joint safekeeping receipt be issued, to the local school district by the depository institution. The Schedule of Deposits and Security Requirements on page 77, as listed in the table of contents, will meet the State Auditor's requirements in reporting the insured portion of the deposits.

At June 30, 2009 the carrying amount of the District's deposits with financial institutions was \$610,990 and the bank balances were \$737,883. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: a. Uncollateralized, b. Collateralized with securities held by the pledging financial institution, or c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. At June 30, 2009, \$179,389 of the District's bank balances of \$737,883 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 0
Uninsured and collateral held by pledging bank's trust Department not in the District's name	<u>179,387</u>
Total	<u>\$ 179,387</u>

State Treasurer Investment Pool

The Elida Municipal Schools has \$21,058 invested in the State Treasurer Local Government Investment Pool. The Local Government Investment Pool includes the following disclosures:

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States government or are backed by the full faith and credit of the United State government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.IF, NMSA 1978, at the end of the month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The Pool is AAAM rated and has a 50-day Weighted Average Maturity.

B. 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.

C. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year end are planned to be eliminated in the subsequent year. As of June 30, 2009, there were no outstanding interfund payables or receivables.

STATE OF NEW MEXICO
 ELIDA MUNICIPAL SCHOOLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2009

The following permanent interfund transfers occurred during the year ended June 30, 2009:

<u>Transfer To</u>		<u>Fund</u>	<u>Farm Fund</u>	<u>Totals</u>
Title I	\$ 3,910	\$ (3,112)	\$ (1,126)	\$ (4,238)
Idea B Entitlement	328	-	-	328
Totals	<u>\$ 4,238</u>	<u>\$ (3,112)</u>	<u>\$ (1,126)</u>	<u>\$ -</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Capital assets being depreciated:				
Buildings and improvements	4,270,348	48,430	-	4,318,778
Equipment	354,946	-	-	354,946
Total capital assets being depreciated	<u>4,625,294</u>	<u>48,430</u>	<u>-</u>	<u>4,673,724</u>
Less accumulated depreciation for:				
Buildings and improvements	2,987,084	16,264	-	3,003,348
Equipment	203,434	70,153	-	273,587
Total accumulated depreciation	<u>3,190,518</u>	<u>86,417</u>	<u>-</u>	<u>3,276,935</u>
Total capital assets being depreciated, net	<u>1,434,776</u>	<u>(37,987)</u>	<u>-</u>	<u>1,396,789</u>
Governmental activity capital assets, net	<u>\$ 1,435,776</u>	<u>\$ (37,987)</u>	<u>\$ -</u>	<u>\$ 1,397,789</u>

Depreciation was charged to the various functions as follows:

Direct Instruction	\$ 52,028
Instructional Support	13,827
Administration	2,593
Business Support	1,728
Operations Maintenance Plant	12,098
Food Services	3,457
Pupil Transportation	686
Total	<u>\$ 86,417</u>

E. RESTATEMENTS

The District restated the Fund Balance of the Debt Service Fund to remove the \$65,000 of debt principal and increase the Fund Balance of the Fund by the same amount. Prior years reports reflected the principal due in the next fiscal year as a current year liability. The District elected to change the presentation.

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5. OTHER NOTES

A. Risk Management

The Elida Municipal School District is subject to risk of loss through areas of general liability, workers compensation, and natural disaster. To minimize the risk of financial loss, the school participates in the New Mexico Public School Insurance Authority (a risk pool of all education agencies within the State of New Mexico). The New Mexico Public School Insurance Authority acts as a common carrier of insurance. The assumption of risk is upon the payment of premiums by the school to the New Mexico Public Insurance Authority and lies with the Authority. Premiums are reevaluated annually by the Authority and the District's risk is limited to premiums paid and respective deductibles.

B. Retiree Health Care Act Contributions

The Retiree Health Care Act (100-7C-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act or the Magistrate Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which 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; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

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

The Retiree Health Care Authority issues a separate, publicly available financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retiree participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, Albuquerque State Government Center, 4308 Carlisle Blvd., NE, Suite 104, Albuquerque, NM 87107. For the fiscal year ended June 30, 2009 the Elida Municipal Schools remitted \$13,582 in employer contributions.

**STATE OF NEW MEXICO
ELIDA MUNICIPAL SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

C. ERA Pension Plan

Plan Description. Substantially all of the Elida Municipal Schools' 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 (ERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, PO Box 26129, Santa Fe, New Mexico 87502.

Funding Policy. Plan members are required to contribute 7.75% of their gross salary. The Elida Municipal Schools is required to contribute 10.15% of the gross covered salary. The contribution requirements of plan members and the Elida Municipal Schools are established in Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Elida Municipal Schools' contributions to ERA for the years ended June 30, 2009, 2008, and 2007 were \$120,785, \$114,435 and \$97,825, respectively, equal to the amount of the required contributions for each year.

D. Federal Projects

The District receives indirect cost allocations for the various federal programs it administers. These reimbursements are for costs incurred for administrative functions on behalf of the federal programs. Indirect costs are budgeted and reported as federal revenue in the general fund and revenue and expenditures in the federal project funds.

Unexpended portions of federal monies received for these programs are recognized as deferred grant revenue at year end. These funds are not realized as revenue until expended by the District. Amounts expended in excess of federal monies received are reported as accounts receivable.

E. Joint Powers Agreements

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (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 8, and PL 94-142 among others.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. 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.

For the year ended June 30, 2009, the District received from Region VI, \$31,809 in direct funding of IDEA B programs. In addition, Region VI paid expenditures totaling \$36,320 for the other programs listed above, on behalf of the District. These amounts are reflected as revenue and expenditures in the District financial statements.

Region VI Educational Cooperative issues a separate, publicly available audited financial report that includes expenditures of federal awards and supplementary information. That report may be obtained by contacting Region VI Educational Cooperative at 1500 South Ave. K, Station 9, Portales, New Mexico, 88130.

NOTE 6 BUDGET AUTHORITY EXCEEDED

The following funds expenditures exceed budget authority by the following amounts-Idea B Discretionary-\$1,594 and Drug Free Schools-\$288.

SUPPLEMENTARY INFORMATION

State of New Mexico
Elida Municipal Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

<u>Assets</u>	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Total
Cash	\$ 58,161	\$ 31,658	\$ 89,819
Due From Other Governments	2,412		2,412
Inventory	<u>3,263</u>	<u>-</u>	<u>3,263</u>
Total Assets	<u><u>\$ 63,836</u></u>	<u><u>\$ 31,658</u></u>	<u><u>\$ 95,494</u></u>
 <u>Liabilities</u> 			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Income	<u>18,990</u>	<u>-</u>	<u>18,990</u>
Total Liabilities	<u>18,990</u>	<u>-</u>	<u>18,990</u>
 <u>Fund Balance</u> 			
Reserved for Inventory	3,263	-	3,263
Reserved for Capital Improvements	-	31,658	31,658
Unreserved	<u>41,583</u>	<u>-</u>	<u>41,583</u>
Total Fund Balance	<u>44,846</u>	<u>31,658</u>	<u>76,504</u>
Total Liabilities and Fund Balance	<u><u>\$ 63,836</u></u>	<u><u>\$ 31,658</u></u>	<u><u>\$ 95,494</u></u>

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

State of New Mexico
Elida Municipal Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Total
Revenues:			
Federal Sources	\$ 75,383	\$ -	\$ 75,383
State Sources	19,800	17,611	37,411
Local Sources	51,852	-	51,852
Investment Income	-	299	299
Other	-	2,238	2,238
	<u>147,035</u>	<u>20,148</u>	<u>167,183</u>
Total Revenues			
Expenditures:			
Direct Instruction	57,368	-	57,368
Instructional Support	31,100	-	31,100
Administration	-	-	-
Business Support Services	-	-	-
Operation Maintenance Plant	84	9,852	9,936
Food Services	39,204	-	39,204
Athletics	18,877	-	18,877
Pupil Transportation	-	-	-
Capital Outlay	-	-	-
	<u>146,633</u>	<u>9,852</u>	<u>156,485</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	<u>402</u>	<u>10,296</u>	<u>10,698</u>
Other Financing Sources (Uses)			
Transfers In (Out)	<u>4,238</u>	<u>-</u>	<u>4,238</u>
Excess (deficiency) of revenues over Expenditures & Other Uses			
	4,640	10,296	14,936
Fund Balance at beginning of year	<u>40,206</u>	<u>21,362</u>	<u>61,568</u>
Fund balance at end of year	<u>\$ 44,846</u>	<u>\$ 31,658</u>	<u>\$ 76,504</u>

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

General Fund

To Account for resources traditionally associated with governments which are not required to be accounted for in any other fund.

State of New Mexico
 Elida Municipal Schools
 Combining Balance Sheet
 General Fund
 June 30, 2009

<u>Assets</u>	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	Total
Cash	\$ 38,647	\$ 21,737	\$ 15,001	\$ 3,418	\$ 78,803
Taxes Receivable	430	-	-	-	430
Due From Other Funds	-	-	-	-	-
Total Assets	<u>\$ 39,077</u>	<u>\$ 21,737</u>	<u>\$ 15,001</u>	<u>\$ 3,418</u>	<u>\$ 79,233</u>
<u>Liabilities</u>					
Accounts Payable	\$ 5,149	\$ -	\$ -	\$ -	\$ 5,149
Deferred Revenue	430	-	-	-	430
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>5,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,579</u>
<u>Fund Balance</u>					
Unreserved for Future Expenditures	<u>33,498</u>	<u>21,737</u>	<u>15,001</u>	<u>3,418</u>	<u>73,654</u>
Total Fund Balance	<u>33,498</u>	<u>21,737</u>	<u>15,001</u>	<u>3,418</u>	<u>73,654</u>
Total Liabilities and Fund Balance	<u>\$ 39,077</u>	<u>\$ 21,737</u>	<u>\$ 15,001</u>	<u>\$ 3,418</u>	<u>\$ 79,233</u>

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

State of New Mexico
Elida Municipal Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2009

	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	Total
Revenues:					
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	1,581,125	-	306,267	11,103	1,898,495
Local Sources	10,422	-	-	-	10,422
Investment Income	-	116	-	-	116
Other	2,193	10,200	-	-	12,393
Total Revenues	1,593,740	10,316	306,267	11,103	1,921,426
Expenditures:					
Direct Instruction	1,000,054	-	-	8,382	1,008,436
Instructional Support	71,892	-	-	-	71,892
Administration	168,452	-	-	-	168,452
Business Support Services	69,413	-	-	-	69,413
Operation Maintenance Plant	215,093	2,290	-	-	217,383
Food Services	52,772	-	-	-	52,772
Athletics	-	-	-	-	-
Non-Instructional Support	-	-	-	-	-
Community Services	-	-	-	-	-
Pupil Transportation	-	-	293,665	-	293,665
Capital Outlay	-	-	-	-	-
Total Expenditures	1,577,676	2,290	293,665	8,382	1,882,013
Excess (deficiency) of revenues over expenditures	16,064	8,026	12,602	2,721	39,413
Other Financing Sources (Uses)					
Transfers In (Out)	(3,112)	-	-	-	(3,112)
Excess (deficiency) of revenues over Expenditures & Other Uses	12,952	8,026	12,602	2,721	36,301
Fund Balance at beginning of year	20,546	13,711	2,399	697	37,353
Fund balance at end of year	\$ 33,498	\$ 21,737	\$ 15,001	\$ 3,418	\$ 73,654

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
General Fund-Operational
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Local Sources	\$ 11,798	\$ 11,798	\$ 10,590	\$ (1,208)
State Sources	1,485,234	1,521,359	1,581,125	59,766
Federal Sources	-	-	-	-
Other	2,350	2,350	2,193	(157)
Total Revenues	1,499,382	1,535,507	1,593,908	58,401
Expenditures:				
Direct Instruction	1,001,516	1,070,483	1,000,054	70,429
Instructional Support	85,231	89,106	71,892	17,214
Administration	200,154	210,437	168,452	41,985
Business Support Services	69,141	71,141	69,412	1,729
Operation Maintenance Plant	232,248	242,248	219,211	23,037
Food Services	52,663	53,663	52,772	891
Athletics	-	-	-	-
Pupil Transportation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	1,640,953	1,737,078	1,581,793	155,285
Excess (deficiency) of revenues over expenditures	(141,571)	(201,571)	12,115	213,686
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	(3,112)	-
Excess (deficiency) of revenues over Expenditures & Other Uses	(141,571)	(201,571)	9,003	\$ 213,686
Cash Balance at beginning of year	29,644	29,644		
Cash Balance at end of year	\$ (111,927)	\$ (171,927)		
Reconciliation to GAAP Basis				
Changes in Accounts Receivable			(168)	
Changes in Accounts Payable			4,117	
Excess (Deficiency) of revenues over expenditures			\$ 12,952	

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

State of New Mexico
 Elida Municipal Schools
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Non-GAAP)
 General Fund-Teacherage
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Investment Income	-	-	116	-
Other	<u>14,400</u>	<u>14,400</u>	<u>10,200</u>	<u>(4,200)</u>
Total Revenues	<u>14,400</u>	<u>14,400</u>	<u>10,316</u>	<u>(4,200)</u>
Expenditures:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business Support Services	-	-	-	-
Operation Maintenance Plant	32,723	32,723	2,290	30,433
Food Services	-	-	-	-
Athletics	-	-	-	-
Pupil Transportation	-	-	-	-
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>42,723</u>	<u>42,723</u>	<u>2,290</u>	<u>40,433</u>
Excess (deficiency) of revenues over expenditures	<u>(28,323)</u>	<u>(28,323)</u>	<u>8,026</u>	<u>36,233</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(28,323)	(28,323)	8,026	<u>\$ 36,233</u>
Cash Balance at beginning of year	<u>13,711</u>	<u>13,711</u>		
Cash Balance at end of year	<u>\$ (14,612)</u>	<u>\$ (14,612)</u>		
Reconciliation to GAAP Basis				
			-	
			-	
Excess (Deficiency) of revenues over expenditures			<u>\$ 8,026</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
General Fund-Transportation
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 251,192	\$ 294,997	\$ 306,266	\$ 11,269
Interest Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>251,192</u>	<u>294,997</u>	<u>306,266</u>	<u>11,269</u>
Expenditures:				
Transportation	251,192	294,997	294,437	560
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>251,192</u>	<u>294,997</u>	<u>294,437</u>	<u>560</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>11,829</u>	<u>11,829</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	11,829	<u>\$ 11,829</u>
Cash Balance at beginning of year	<u>3,172</u>	<u>3,172</u>		
Cash Balance at end of year	<u>\$ 3,172</u>	<u>\$ 3,172</u>		
Reconciliation to GAAP Basis				
			<u>772</u>	
			<u>772</u>	
			<u>\$ 12,601</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
General Fund-Instructional Materials
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
State Sources	\$ 10,889	\$ 10,889	\$ 11,103	\$ 214
Interest Income	-	-	-	-
Total Revenues	10,889	10,889	11,103	214
Expenditures:				
Direct Instruction	10,889	10,889	8,382	2,507
Capital Outlay	-	-	-	-
Total Expenditures	10,889	10,889	8,382	2,507
Excess (deficiency) of revenues over expenditures	-	-	2,721	2,721
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	2,721	\$ 2,721
Cash Balance at beginning of year	697	697		
Cash Balance at end of year	\$ 697	\$ 697		
Reconciliation to GAAP Basis				
			-	
Changes in Receivables			-	
Change in Due from Other Governments			-	
Excess (Deficiency) of revenues over expenditures			\$ 2,721	

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

SPECIAL REVENUE FUNDS

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

Athletics -To account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

IASA TITLE 1 - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Act of 1965, Title 1, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

IDEA Part B, Entitlement - 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-B Discretionary - The IDEA-B Entitlement/Discretionary project provides funds for free appropriate public education to all children with disabilities. The program is funded by the Federal government and passed through the State Department of Education under the Individuals with Disabilities Education Act, Part B, Sections 611-617, and Part 0, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

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

Teacher/Principal Training - 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).

Drug Free Schools – The purpose of this fund is to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. The Authority for the creation of this fund is ESEA 1965, Title IV, Part A as amended, 20 USC 71112-7143.

Rural Education. Achievement Program -. 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.

Technology for Education - 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).

(Continued)

Incentives for School Improvements - To account for funds received for the Strengthening Quality Schools program, provided by SOPRIS West, a private foundation, to help schools with costs related to training. Required by the State Department of Education Manual of Procedures for New Mexico School districts to be accounted for as a separate fund.

Beginning Teacher - To account for Title II funds used for professional development training and travel as an incentive to mentor new teachers. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Act of 1965.

Library GO Bonds Laws 2004 - To account for funds provided to acquire supplementary library books, equipment, and library resources for public schools, funded through the New Mexico Public Education Department, as authorized by the Laws 2004, Chapter 117.

Capital Improvements (SB-9) - To account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

State of New Mexico
 Elida Municipal Schools
 Combining Balance Sheet
 Special Revenue Funds
 June 30, 2009

Assets	Food Services	Athletics	Title I	Idea B			Idea B Discretion	Idea B Pre-School	Principal Training	Drug Free Schools	Rural Education	Tech		Incent		Library GIO	Nonmajor Total	
				Emittlement								For Education	For School Improve	Teacher				
Cash	\$ 24,346	\$ 1,253	\$ 1,546	\$ -	\$ 10,004	\$ -	\$ -	\$ 141	\$ -	\$ -	\$ 1	\$ 4,887	\$ 14,601	\$ 1,061	\$ -	\$ 321	\$ 58,161	
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due From Other Governments	-	-	-	2,412	-	-	-	-	-	-	-	-	-	-	-	-	2,412	
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory	3,263	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,263	
Total Assets	\$ 27,609	\$ 1,253	\$ 1,546	\$ 2,412	\$ 10,004	\$ -	\$ 141	\$ -	\$ -	\$ -	\$ 1	\$ 4,887	\$ 14,601	\$ 1,061	\$ -	\$ 321	\$ 63,836	
Liabilities																		
Account Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deferred Income	-	-	1,546	2,412	10,004	-	141	-	-	-	-	4,887	-	-	-	-	18,990	
Total Liabilities	-	-	1,546	2,412	10,004	-	141	-	-	-	-	4,887	-	-	-	-	18,990	
Fund Balance																		
Unreserved	27,609	1,253	-	-	-	-	-	-	-	-	1	-	14,601	1,061	-	321	44,846	
Total Fund Balance	27,609	1,253	-	-	-	-	-	-	-	-	1	-	14,601	1,061	-	321	44,846	
Total Liabilities and Fund Balance	\$ 27,609	\$ 1,253	\$ 1,546	\$ 2,412	\$ 10,004	\$ -	\$ 141	\$ -	\$ -	\$ -	\$ 1	\$ 4,887	\$ 14,601	\$ 1,061	\$ -	\$ 321	\$ 63,836	

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

State of New Mexico
 Elida Municipal Schools
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Special Revenue Funds
 For the Year Ended June 30, 2009

Revenues:	Food Services	Athletics	Title I	Idea B		Idea B Discretion	Idea B Pre-School	Principal Training	Drug Free Schools	Rural Education	Tech		Incent		Library G/O	Nonmajor Total
				Enrollment	25,222 \$						6,446 \$	141 \$	1,788 \$	13,531 \$		
Federal Sources	\$ -	\$ -	\$ 21,462	\$ 25,222	\$ 6,446	\$ 141	\$ 1,788	\$ 1,788	\$ -	\$ 13,531	\$ 6,793	\$ -	\$ -	\$ -	\$ -	\$ 75,383
State Sources	11,703	-	-	-	-	-	-	-	-	-	-	-	-	1,003	7,094	19,800
Local Sources	37,624	14,228	-	-	-	-	-	1,788	-	13,530	6,793	-	-	-	-	51,852
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	49,327	14,228	21,462	25,222	6,446	141	1,788	1,788	-	13,531	6,793	-	-	1,003	7,094	147,035
Expenditures:																
Direct Instruction	-	-	25,372	25,550	6,446	-	-	-	-	-	-	-	-	-	-	57,368
Instructional Support	-	-	-	-	-	141	1,788	1,788	-	13,530	6,793	-	-	-	8,848	31,100
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operation Maintenance Plant	-	-	-	-	-	-	-	-	-	-	-	84	-	-	-	84
Food Services	39,204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,204
Athletics	-	18,877	-	-	-	-	-	-	-	-	-	-	-	-	-	18,877
Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	39,204	18,877	25,372	25,550	6,446	141	1,788	1,788	-	13,530	6,793	84	-	-	8,848	146,633
Excess (Deficiency) of Revenues Over Expenditures	10,123	(4,649)	(3,910)	(328)	-	-	-	-	-	1	-	(84)	1,003	(1,754)	402	
Other Financing Sources (Uses)																
Transfers In	-	-	3,910	328	-	-	-	-	-	-	-	-	-	-	-	4,238
Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	3,910	328	-	-	-	-	-	-	-	-	-	-	-	4,238
Net Change in Fund Balances	10,123	(4,649)	-	-	-	-	-	-	-	1	-	(84)	1,003	(1,754)	4,640	
Fund Balances, Beginning	17,486	5,902	-	-	-	-	-	-	-	-	-	(14,685)	58	2,075	40,206	
Fund Balances, Ending	\$ 27,609	\$ 1,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 14,601	\$ 1,061	\$ 321	\$ 44,846	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Food Services
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Federal Sources	\$ 25,951	\$ 25,951	\$ 11,703	\$ (14,248)
State Sources	-	-	-	-
Local Sources	12,277	12,277	37,624	25,347
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>38,228</u>	<u>38,228</u>	<u>49,327</u>	<u>11,099</u>
Expenditures:				
Food Services	58,440	58,440	38,235	20,205
Capital Outlay	-	-	-	-
Total Expenditures	<u>58,440</u>	<u>58,440</u>	<u>38,235</u>	<u>20,205</u>
Excess (deficiency) of revenues over expenditures	<u>(20,212)</u>	<u>(20,212)</u>	<u>11,092</u>	<u>31,304</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	(20,212)	(20,212)	11,092	<u>\$ 31,304</u>
Cash Balance at beginning of year	-	-		
Cash Balance at end of year	<u>\$ (20,212)</u>	<u>\$ (20,212)</u>		
Reconciliation to GAAP Basis				
Changes in Inventory			\$ (1,502)	
Change in Accounts Payable			<u>533</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 10,123</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Athletics
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ -
Local Sources	34,000	34,000	14,228	(19,772)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>34,000</u>	<u>34,000</u>	<u>14,228</u>	<u>(19,772)</u>
Expenditures:				
Athletics	35,459	35,459	18,877	16,582
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>35,459</u>	<u>35,459</u>	<u>18,877</u>	<u>16,582</u>
Excess (deficiency) of revenues over expenditures	<u>(1,459)</u>	<u>(1,459)</u>	<u>(4,649)</u>	<u>(3,190)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(1,459)	(1,459)	(4,649)	<u>\$ (3,190)</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ (1,459)</u>	<u>\$ (1,459)</u>		
Reconciliation to GAAP Basis				
Change in Account Payable			\$ -	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (4,649)</u>	

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

State of New Mexico
 Elida Municipal Schools
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Non-GAAP)

Title I

For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 23,801	\$ 28,951	\$ 36,986	\$ 8,035
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>23,801</u>	<u>28,951</u>	<u>36,986</u>	<u>8,035</u>
Expenditures:				
Direct Instruction	23,801	28,951	25,372	3,579
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>23,801</u>	<u>28,951</u>	<u>25,372</u>	<u>3,579</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>11,614</u>	<u>11,614</u>
Other Financing Sources (Uses) Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	11,614	<u>\$ 11,614</u>
Cash Balance at beginning of year	<u>(10,068)</u>	<u>(10,068)</u>		
Cash Balance at end of year	<u>\$ (10,068)</u>	<u>\$ (10,068)</u>		
Reconciliation to GAAP Basis				
			(1,546)	
			<u>(10,068)</u>	
Excess (Deficiency) of revenues over expenditures				<u>\$ -</u>

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Idea B-Entitlement
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 27,790	\$ 27,483	\$ 32,470	\$ 4,987
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>27,790</u>	<u>27,483</u>	<u>32,470</u>	<u>4,987</u>
Expenditures:				
Direct Instruction	27,790	27,483	25,550	1,933
Capital Outlay	-	-	-	-
Total Expenditures	<u>27,790</u>	<u>27,483</u>	<u>25,550</u>	<u>1,933</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>6,920</u>	<u>6,920</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	7,248	<u>\$ 6,592</u>
Cash Balance at beginning of year	<u>(7,248)</u>	<u>(7,248)</u>		
Cash Balance at end of year	<u>\$ (7,248)</u>	<u>\$ (7,248)</u>		
Reconciliation to GAAP Basis				
Changes in Accounts Payable			-	
Change in Due from Other Governments			<u>(7,248)</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Idea B Discretionary
For the Year Ended June 30, 200

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 4,853	\$ 4,853	\$ 16,451	\$ 11,598
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>4,853</u>	<u>4,853</u>	<u>16,451</u>	<u>11,598</u>
Expenditures:				
Direct Instruction	4,853	4,853	6,447	(1,594)
Administration	-	-	-	-
Total Expenditures	<u>4,853</u>	<u>4,853</u>	<u>6,447</u>	<u>(1,594)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>10,004</u>	<u>10,004</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	10,004	<u>\$ 10,004</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Deferred Income			(10,004)	
Change in Due from Other Governments			-	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Idea B Pre-School
For the Year Ended June 30, 200

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 1,956	\$ 1,956	\$ 141	\$ (1,815)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>1,956</u>	<u>1,956</u>	<u>141</u>	<u>(1,815)</u>
Expenditures:				
Direct Instruction	1,956	1,956	141	1,815
Administration	-	-	-	-
Total Expenditures	<u>1,956</u>	<u>1,956</u>	<u>141</u>	<u>1,815</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Deferred Income			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Principal Training
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable
				(<u>Unfavorable</u>)
Revenues:				
Federal Sources	\$ 6,109	\$ 6,109	\$ 141	\$ (5,968)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6,109</u>	<u>6,109</u>	<u>141</u>	<u>(5,968)</u>
Expenditures:				
Instructional Support	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>6,109</u>	<u>6,109</u>	<u>141</u>	<u>(5,968)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	6,109	6,109	141	<u>\$ (5,968)</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ 6,109</u>	<u>\$ 6,109</u>		
Reconciliation to GAAP Basis				
Changes in Deferred Income			(141)	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Drug Free Schools
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ -	\$ 1,500	\$ 1,788	\$ 288
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>1,500</u>	<u>1,788</u>	<u>288</u>
Expenditures:				
Instructional Support	-	1,500	1,788	(288)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,500</u>	<u>1,788</u>	<u>(288)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Rural Education
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 15,841	\$ 15,841	\$ 13,531	\$ (2,310)
State Sources	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>15,841</u>	<u>15,841</u>	<u>13,531</u>	<u>(2,310)</u>
Expenditures:				
Instructional Support	15,841	15,841	13,530	2,311
Capital Outlay	-	-	-	-
Total Expenditures	<u>15,841</u>	<u>15,841</u>	<u>13,530</u>	<u>2,311</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	1	<u>\$ 1</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 1</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Technology for Education
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 6,417	\$ 17,497	\$ 6,526	\$ (10,971)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6,417</u>	<u>17,497</u>	<u>6,526</u>	<u>(10,971)</u>
Expenditures:				
Instructional Support	6,417	17,497	6,793	10,704
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>6,417</u>	<u>17,497</u>	<u>6,793</u>	<u>10,704</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(267)</u>	<u>(267)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(267)	(267)
Cash Balance at beginning of year	<u>5,154</u>	<u>5,154</u>	-	(5,154)
Cash Balance at end of year	<u>\$ 5,154</u>	<u>\$ 5,154</u>	(267)	<u>\$ (5,421)</u>
Reconciliation to GAAP Basis				
Changes in Deferred Income			\$ 267	
Change in Due to Other Funds			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Incentives for School Improvement
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
State Sources	\$ -	\$ 10,604	\$ -	\$ (10,604)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>10,604</u>	<u>-</u>	<u>(10,604)</u>
Expenditures:				
Direct Instruction	-	-	-	-
Plant Maintenance	<u>3,341</u>	<u>10,604</u>	<u>84</u>	<u>10,520</u>
Total Expenditures	<u>3,341</u>	<u>10,604</u>	<u>84</u>	<u>10,520</u>
Excess (deficiency) of revenues over expenditures	<u>(3,341)</u>	<u>-</u>	<u>(84)</u>	<u>(84)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(3,341)	-	(84)	(84)
Cash Balance at beginning of year	<u>14,685</u>	<u>14,685</u>		(14,685)
Cash Balance at end of year	<u>\$ 11,344</u>	<u>\$ 14,685</u>		<u>\$ (14,769)</u>
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (84)</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Beginning Teacher
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ -	\$ 1,003	\$ 1,003	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>1,003</u>	<u>1,003</u>	<u>-</u>
Expenditures:				
Direct Instruction	-	1,003	-	1,003
Instructional Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>1,003</u>	<u>-</u>	<u>1,003</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,003</u>	<u>1,003</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	1,003	1,003
Cash Balance at beginning of year	<u>57</u>	<u>57</u>	-	(57)
Cash Balance at end of year	<u>\$ 57</u>	<u>\$ 57</u>	1,003	<u>\$ 946</u>
Reconciliation to GAAP Basis				
			\$ -	
Changes in Accounts Payable			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 1,003</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Library GO Bonds
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
Revenues:				
State Sources	\$ 9,758	\$ 22,687	\$ 7,094	\$ (15,593)
Interest Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>9,758</u>	<u>22,687</u>	<u>7,094</u>	<u>(15,593)</u>
Expenditures:				
Direct Instruction	-	-	-	-
Instructional Support	13,099	22,687	8,848	13,839
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>13,099</u>	<u>22,687</u>	<u>8,848</u>	<u>13,839</u>
Excess (deficiency) of revenues over expenditures	<u>(3,341)</u>	<u>-</u>	<u>(1,754)</u>	<u>(1,754)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(3,341)	-	(1,754)	<u>\$ (1,754)</u>
Cash Balance at beginning of year	<u>2,075</u>	<u>2,075</u>		
Cash Balance at end of year	<u>\$ (1,266)</u>	<u>\$ 2,075</u>		
Reconciliation to GAAP Basis				
				-
				-
Excess (Deficiency) of revenues over expenditures			<u>\$ (1,754)</u>	

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

Debt Service Fund

This fund is established to receive revenue for the payment of interest and principal on outstanding general obligation school bond issues.

State of New Mexico
Elida Municipal Schools
Balance Sheet
Debt Service Fund
June 30, 2009

<u>Assets</u>	
Cash	\$ 78,692
Taxes Receivable	<u>3,812</u>
Total Assets	\$ <u>82,504</u>
<u>Liabilities</u>	
Deferred Revenue	\$ 3,812
Accrued Interest	<u>9,750</u>
Total Liabilities	<u>13,562</u>
<u>Fund Balance</u>	
Reserved for Debt Service	<u>68,942</u>
Total Fund Balance	<u>68,942</u>
Total Liabilities and Fund Balance	\$ <u>82,504</u>

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund
For the Year Ended June 30, 2009

Revenues:	
Local Sources	\$ 76,986
Interest	<u> -</u>
Total Revenues	<u> 76,986</u>
Expenditures:	
Administrative	777
Debt Service:	
Principal	65,000
Interest and Fiscal Charge	<u> 20,117</u>
Total Expenditures	<u> 85,894</u>
Excess (deficiency) of revenues over expenditures	<u> (8,908)</u>
Other Financing Sources (Uses)	
Transfers In (Out)	<u> -</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(8,908)
Fund Balance at beginning of year	12,850
Restatement	<u> 65,000</u>
Fund Balance at beginning of year as Restated	<u> 77,850</u>
Fund balance at end of year	<u>\$ 68,942</u>

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Revenue Fund-Debt Service Fund
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Property Taxes	\$ 84,702	\$ 84,702	\$ 78,495	\$ (6,207)
Interest Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>84,702</u>	<u>84,702</u>	<u>78,495</u>	<u>(6,207)</u>
Expenditures:				
Administrative	780	780	777	3
Debt Service:				
Principal	20,733	20,733	20,733	-
Interest	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Expenditures	<u>86,513</u>	<u>86,513</u>	<u>86,510</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>(1,811)</u>	<u>(1,811)</u>	<u>(8,015)</u>	<u>(6,204)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(1,811)	(1,811)	(8,015)	<u>\$ (6,204)</u>
Cash Balance at beginning of year	<u>86,707</u>	<u>86,707</u>		
Cash Balance at end of year	<u>\$ 84,896</u>	<u>\$ 84,896</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			(1,509)	
Change in Accrued Interest			<u>616</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (8,908)</u>	

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

Capital Projects Funds

BOND BUILDING - To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, purchasing and improving school grounds funded by bond proceeds.

SPECIAL CAPITAL OUTLAY STATE - To account for financing and construction of school] improvements funded from a special legislative appropriation from the State of New Mexico.

State of New Mexico
 Elida Municipal Schools
 Combining Balance Sheet
 Non Major Capital Project Funds
 June 30, 2009

<u>Assets</u>	Bond Building	Special Capital Outlay State	Total
Cash	\$ 20,589	\$ 11,069	\$ 31,658
Due From Other Funds	-	-	-
Total Assets	<u>\$ 20,589</u>	<u>\$ 11,069</u>	<u>\$ 31,658</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
<u>Fund Balance</u>			
Reserved for Capital Projects	20,589	11,069	31,658
Unreserved for Future Expenditures	-	-	-
Total Fund Balance	<u>20,589</u>	<u>11,069</u>	<u>31,658</u>
Total Liabilities and Fund Balance	<u>\$ 20,589</u>	<u>\$ 11,069</u>	<u>\$ 31,658</u>

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

State of New Mexico
Elida Municipal Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Project Funds
For the Year Ended June 30, 2009

	Bond Building	Special Capital Outlay Fund	Total
Revenues:			
Federal Sources	\$ -	\$ -	\$ -
State Sources	-	17,611	17,611
Local Sources	-	-	-
Investment Income	299	-	299
Other	2,238	-	2,238
	<u>2,537</u>	<u>17,611</u>	<u>20,148</u>
Total Revenues			
Expenditures:			
Operation Maintenance Plant	1,235	8,617	9,852
Capital Outlay	-	-	-
	<u>1,235</u>	<u>8,617</u>	<u>9,852</u>
Total Expenditures			
Excess (deficiency) of revenues over expenditures	<u>1,302</u>	<u>8,994</u>	<u>10,296</u>
Other Financing Sources (Uses)			
Transfers In (Out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	1,302	8,994	10,296
Fund Balance at beginning of year	<u>19,287</u>	<u>2,075</u>	<u>21,362</u>
Fund balance at end of year	<u>\$ 20,589</u>	<u>\$ 11,069</u>	<u>\$ 31,658</u>

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Capital Projects Fund-Bond Building
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ -
Investment Income	771	771	299	472
Other	<u>-</u>	<u>-</u>	<u>2,238</u>	<u>2,238</u>
Total Revenues	<u>771</u>	<u>771</u>	<u>2,537</u>	<u>2,710</u>
Expenditures:				
Operation Maintenance Plant	-	-	-	-
Capital Outlay	<u>20,276</u>	<u>20,276</u>	<u>1,235</u>	<u>19,041</u>
Total Expenditures	<u>20,276</u>	<u>20,276</u>	<u>1,235</u>	<u>19,041</u>
Excess (deficiency) of revenues over expenditures	<u>(19,505)</u>	<u>(19,505)</u>	<u>1,302</u>	<u>21,751</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(19,505)	(19,505)	1,302	<u>\$ 21,751</u>
Cash Balance at beginning of year	<u>19,288</u>	<u>19,288</u>		
Cash Balance at end of year	<u>\$ (217)</u>	<u>\$ (217)</u>		
Reconciliation to GAAP Basis				
Changes in Accounts Payable			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 1,302</u>	

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

State of New Mexico
Elida Municipal Schools
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Non-GAAP)
Capital Projects Fund-Special Capital Outlay State
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 60,000	\$ 60,000	\$ 17,611	\$ (42,389)
Investment Income	-	-	-	-
Other	-	-	-	-
	<u>60,000</u>	<u>60,000</u>	<u>17,611</u>	<u>(42,389)</u>
Total Revenues				
Expenditures:				
Operation Maintenance Plant	-	-	-	-
Capital Outlay	60,000	60,000	8,617	51,383
	<u>60,000</u>	<u>60,000</u>	<u>8,617</u>	<u>51,383</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	-	-	8,994	8,994
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	8,994	<u>\$ 8,994</u>
Cash Balance at beginning of year	<u>2,075</u>	<u>2,075</u>		
Cash Balance at end of year	<u>\$ 2,075</u>	<u>\$ 2,075</u>		
Reconciliation to GAAP Basis				
Changes in Accounts Payable			-	
Change in Due from Other Governments			-	
Excess (Deficiency) of revenues over expenditures			<u>\$ 8,994</u>	

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

Fiduciary Fund

AGENCY FUND – To account for assets held by the school district in a trustee capacity for individuals, private organizations, other governments and/or other funds.

State of New Mexico
Elida Municipal Schools
Statement of Changes in Account Balances-Agency Funds
For the Year Ended June 30, 2009

	<u>Balance 6/30/2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2009</u>
A+ Grant	\$ 10,000	\$ -	\$ 10,000	\$ -
Annual	4,616	6,570	6,607	4,579
Art	50	-	-	50
Baseball	690	2,188	2,665	213
BPA	38	-	-	38
Cheerleaders	1,071	821	1,301	591
Class 2008	-	-	-	-
Class 2009	386	190	488	88
Class 2010	403	1,021	1,238	186
Class 2011	348	130	-	478
Class 2012	688	-	-	688
Class 2013	41	33	-	74
Class 2014	-	33	-	33
Class 2015	-	-	-	-
Computer Technology	472	-	-	472
Elementary Computers	300	33	321	12
EPAC	5,471	-	5,471	-
FCCLA	1,101	7,259	4,043	4,317
FFA	6,518	16,462	16,206	6,774
Girl Sports	66	-	-	66
Greenhouse	606	20	-	626
Miscellaneous	87	905	921	71
National Honor Society	1,119	925	652	1,392
SADD	32	-	-	32
Scholarship Fund	300	-	-	300
School to Work	321	-	-	321
Shop	-	26	25	1
ZUNE	-	172	-	172
Student Council	131	472	577	26
	<u>\$ 34,855</u>	<u>\$ 37,260</u>	<u>\$ 50,515</u>	<u>\$ 21,600</u>

Other Reports

State of New Mexico
 Elida Municipal Schools
 Schedule of Deposits and Pledged Collateral Under State Requirements
 June 30, 2009

Institution	Financial	Account Name	Account Type	Reconciled Balance	O/S Deposits Balance	O/S Checks Balance	Balance Not On Deposit 06-30-09	Not Insured By FDIC	Required Collateral	FMV of Collateral	Pledged Over(Short)
Stone National Bank		Operations	Checking	\$ 229,499	\$ -	\$ 122,645	\$ 352,144	-	-	-	-
		Wind Farm	Checking	51,395	-	4,248	51,395	-	-	-	-
		Activity Fund	Checking	21,600	-	126,893	25,848	-	-	-	-
First Community		SB-9	Checking	302,494	-	429,387	250,000	\$ 179,387	\$ 89,694	\$ 101,445	\$ 11,752
		SB-9	Checking	58,017	-	58,017	58,017	-	-	-	-
NM Bank and Trust		Wind Farm	Checking	250,479	-	250,479	250,000	\$ 479	\$ 240	\$ -	\$ (240)
New Mexico State Treasurer		Wind Farm	Investment	5,400	-	-	5,400	-	-	-	-
		Bond building	Investment	228	-	-	228	-	-	-	-
		SB-9	Investment	1,019	-	-	1,019	-	-	-	-
		Teacherage	Investment	12	-	-	12	-	-	-	-
		Wind Farm	Investment	2,089	-	-	2,089	-	-	-	-
		Bond building	Investment	494	-	-	494	-	-	-	-
	SB-9	Investment	11,788	-	-	11,788	-	-	-	-	
	Teacherage	Investment	28	-	-	28	-	-	-	-	
				21,058	-	21,058	21,058	21,058	10,529	-	(10,529)
Total				\$ 632,048	\$ -	\$ 126,893	\$ 758,941	\$ 200,445	\$ 100,223	\$ 101,445	\$ 1,223

Pledged Collateral		Market Value	SK Rec #
Description	Custodian	Par	Rate
Wells Fargo	Independent Bankers Bank	\$ 100,000	4.30%
US Treas Note		\$ 100,000	
		\$ 101,445	
		\$ 101,445	

State of New Mexico
 Elida Municipal Schools
 Bank Reconciliation
 June 30, 2009

	11000	12000	13000	14000	21000	22000	23000	24000	25000	26000	27000	31100	31400	31700	41000	Total
	Operational	Transport	Instructional Materials	Inst Mat	Food Serv	Athletics	Activities	Federal Flow-Through	Fed Flow-Direct	Local Grants	State Flow-Through	Bond Building	Spec Capital Outlay State	Capital Imp. SB-9	Debit Service	
Audited Net Cash 6-30-08	\$ 29,644	\$ 13,711	\$ 3,172	\$ 697	\$ 13,254	\$ 5,902	\$ 34,855	\$ (17,317)	\$	\$ 263,842	\$ 21,971	\$ 19,287	\$ 2,075	\$ 77,306	\$ 86,707	\$ 555,106
Outstanding Loans (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash 6-30-09	29,644	13,711	3,172	697	13,254	5,902	34,855	(17,317)	-	263,842	21,971	19,287	2,075	77,306	86,707	555,106
Revenues to Date	1,593,908	10,316	306,266	11,103	49,327	14,228	37,633	87,977	13,631	321,554	14,263	2,537	17,611	54,446	78,495	2,613,195
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Warrants Voided	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Resources to Date Current Ye	1,623,552	24,027	309,438	11,800	62,581	20,130	72,488	70,660	13,631	585,396	36,234	21,824	19,686	131,752	165,202	3,168,301
Expenditures to Date	1,581,793	2,290	294,437	8,382	38,235	18,877	50,888	58,970	13,630	289,792	19,603	1,235	8,617	63,096	86,510	2,536,255
Loan Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Date (In) Out	(3,112)	-	-	-	-	-	-	-	-	(1,126)	4,238	-	-	-	-	-
Net Cash	38,647	21,737	15,001	3,418	24,346	1,253	21,600	11,690	1	294,478	20,869	20,589	11,069	68,656	78,692	632,046
Outstanding Loans (Out) In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments on Hand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash	\$ 38,647	\$ 21,737	\$ 15,001	\$ 3,418	\$ 24,346	\$ 1,253	\$ 21,600	\$ 11,690	\$ 1	\$ 294,478	\$ 20,869	\$ 20,589	\$ 11,069	\$ 68,656	\$ 78,692	\$ 632,046
Cash in Bank	\$ 161,292	\$ 21,737	\$ 15,001	\$ 3,418	\$ 24,346	\$ 1,253	\$ 25,848	\$ 11,690	\$ 1	\$ 294,478	\$ 20,869	\$ 20,589	\$ 11,069	\$ 68,656	\$ 78,692	\$ 758,939
Outstanding Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Checks	122,645	-	-	-	-	-	4,248	-	-	-	-	-	-	-	-	126,893
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash	\$ 38,647	\$ 21,737	\$ 15,001	\$ 3,418	\$ 24,346	\$ 1,253	\$ 21,600	\$ 11,690	\$ 1	\$ 294,478	\$ 20,869	\$ 20,589	\$ 11,069	\$ 68,656	\$ 78,692	\$ 632,046

Dan Austin CPA, PC
700 Mechem Drive Ste. 15
Ruidoso, NM 88345

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

Hector Balderas, State Auditor,
Board of Education, Elida Municipal Schools
Elida, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the general fund and major special revenue funds budgetary comparisons, and the aggregate remaining fund information of Elida Municipal Schools as of and for the year ended June 30, 2009, which collectively comprise Elida Municipal School's basic financial statements and have issued our report thereon dated November 10, 2009. We have also audited the financial statements of each of the School's Nonmajor governmental funds and respective budgetary comparisons and the debt service and capital project funds budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents, and have issued our report thereon dated November 10, 2009. We conducted the 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 Elida Municipal Schools, New Mexico'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 Elida Municipal School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Elida Municipal School'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, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency'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 agency'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.

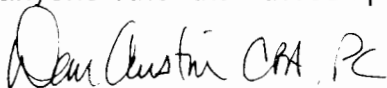
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Elida Municipal Schools, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision paragraphs 5.14 and 5.16*; and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 01-07, 01-08 and 1-09.

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

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



November 10, 2009

State of New Mexico
Elida Municipal Schools
Schedule of Audit Findings, Other Disclosures and Exit conference
June 30, 2009

RESOLUTION OF PRIOR YEAR FINDINGS

01-07 Budget Compliance - Repeated
01-08 Financial Statement Preparation

CURRENT YEAR FINDINGS

Condition: 01-07 Budget Compliance

Condition: The following funds exceeded budget authority by the following amounts-Idea B Discretionary-\$1,594.Drug Free Schools-\$288.

Criteria: Budget reports in compliance with (6-3-1 to 6-3-25 NMSA 1978) should be prepared to monitor revenues and expenditures to determine compliance with budget statutes.

Effect: Non-compliance with Budget Compliance Statutes resulting inability to calculate budget variances from the approved budget by NM Department of Finance and Administration.

Cause: Lack of year end procedures to insure budget adjustments are requested.

Recommendation: Monitor budget expenditures and amended budgets to assure compliance with budget statutes.

Response: The financial staff will monitor budget reports and propose budget adjustments to the Board for approval.

Condition: 01-08 Financial Statement Preparation

Condition: The District staff does not have the training or technical experience needed to prepare the financial statements for audit.

Criteria: SAS 112 and SAO Rule 2.2.2.8 J (4) requires the Auditor to assess the technical capability of District Staff to prepare the District's financial statements.

Effect: The District relies and contracts with the IPA in the SAO prepared contract to prepare and audit the District's financial statements.

Cause: Lack of technical financial training of the staff and financial concerning in retaining or contractors to prepare the financial statements.

Recommendation: Review SAO Rule and SAS 112 requirements and determine if the District can resolve the issue.

Response: The District will look into all alternatives to correct this finding.

01-09 Deposit Collateral Security

Condition: The District deposits increased to amounts above the limits of the FDIC insurance coverage at one bank and did not require the depository to pledge collateral per statute.

Criteria: Section 6-10-17, NMSA 1978 requires that all deposits in excess of FDIC coverage should be secured with approved collateral amounting to 50% of the excess.

Effect: Noncompliance with statute.

Cause: The District failed to consider pledging requirements with its internal depository procedure.

Recommendation: Require depository to comply with statute requirements.

Response: The District will require its depository pledge collateral per statute

FINANCIAL STATEMENT PREPARATION

Although it would be preferred and desirable for the District to prepare its own GAAP-based financial statements, it is felt that the District's personnel have neither the time nor the expertise to prepare them. Therefore, the outside auditor has prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report, however, the responsibility for the content of the report remains with District management.

EXIT CONFERENCE

On November 16, 2009, an exit conference was held at the District's administrative offices. Present were Jim Daughtery, Superintendent, Susan Lambirth, Business Manager, Jenny Clemmons, Board Member, and Dan Austin, CPA, representing the audit firm. Reportable conditions for the year ended June 30, 2009, were discussed as well as financial reporting considerations.