

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

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JUNE 30, 2009

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STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

JUNE 30, 2009

OFFICIAL ROSTER

BOARD OF EDUCATION

Jesse Sedillo	President
Randol Riley	Vice President
Jerry Sanchez, Jr.	Secretary
Matthew Gutierrez	Member
Kenneth Lujan	Member

SCHOOL OFFICIALS

Carolyn Allen-Renteria	Superintendent
Carol Gonzales	Business Manager

# Roy Woodard & Associates

## Certified Public Accountants

116 East Grand, P.O. Box 1874, Clovis, New Mexico 88102 Office (575) 762-3811 Fax (575) 762-3866

### INDEPENDENT AUDITORS' REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education  
Estancia Municipal Schools  
Estancia, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Estancia Municipal Schools (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Estancia Municipal School's non-major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of Estancia Municipal School's management. Our responsibility is to express an opinion 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Estancia Municipal Schools, as of June 30, 2009, and the respective changes in financial position where applicable, thereof and the respective budgetary comparison statements for the General, Title I, IDEA B Entitlement, Title XIX Medicaid and SB-9 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 non-major governmental fund and the fiduciary funds of Estancia Municipal Schools, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison statements for the Ed Tech Equipment Act and each non-major governmental 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 2, 2009 on our consideration of Estancia 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.

Estancia Municipal Schools have not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of Estancia Municipal Schools. The accompanying Statement of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Estancia Municipal Schools. This information, the schedule of change in assets and liabilities agency funds and the Statement of Expenditures of Federal Awards are not required parts of the basic financial statements of Estancia Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements.

A handwritten signature in blue ink that reads "Ray Woodard & Associates". The signature is written in a cursive, flowing style.

November 2, 2009

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,916,705
Property taxes receivable	14,206
Interest receivable	715
Due from other governments	183,839
Food Inventory	1,013
Non-current:	
Bond issuance costs, net	24,844
Capital assets, net	<u>10,843,005</u>
Total assets	<u>12,984,327</u>
<u>LIABILITIES</u>	
Accounts payable	-
Deferred revenue	69,208
Accrued interest payable	15,515
Accrued compensated absences	92,759
Noncurrent liabilities:	
Due within one year	430,000
Due in more than one year	<u>570,000</u>
Total liabilities	<u>1,177,482</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	9,843,005
Restricted:	
Debt Service	195,536
Capital Projects	576,866
Unrestricted	<u>1,191,438</u>
Total net assets	<u>\$ 11,806,845</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
					Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 5,706,959	\$ 31,686	\$ 555,701	\$ -	\$ (5,119,572)
Support Services	-	-	-	-	-
Support Services Students	1,016,127	-	124,776	-	(891,351)
Support Services Instruction	280,393	-	6,184	-	(274,209)
Support Services General Administration	202,708	-	-	1,517	(201,191)
Support Services School Administration	522,573	-	15,221	-	(507,352)
Central Services	255,216	-	-	-	(255,216)
Operation and Maintenance of Plant	1,244,236	-	-	-	(1,244,236)
Student Transportation	526,323	-	529,486	-	3,163
Other Support Services	-	-	-	-	-
Food Services Operations	429,716	25,449	389,728	-	(14,539)
Bond interest paid	45,145	-	-	-	(45,145)
Amortization-unallocated	4,140	-	-	-	(4,140)
Depreciation-unallocated	658,106	18,550	-	151,847	(487,709)
Total governmental activities	\$ 10,891,642	\$ 75,685	\$ 1,621,096	\$ 153,364	(9,041,497)
General revenues:					
Property Taxes:					
					37,796
					423,673
					151,319
					8,389,769
					-
					13,681
					71,338
					9,087,576
					46,079
					11,757,128
					3,638
					11,760,766
					\$ 11,806,845

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

JUNE 30, 2009

	<u>GENERAL</u>	<u>TITLE I</u>	<u>IDEA-B ENTITLEMENT</u>
<b>ASSETS</b>			
Cash on Deposit	\$ 717,180	\$ 2,078	\$ -
Investments	243,432	-	-
Accounts Receivable			
Property Taxes	868	-	-
Interest	54	-	-
Federal		63,362	61,200
State	-	-	-
Due from Other Governments	1,101	-	-
Inventories	-	-	-
Due from Other Funds	192,876		
<b>TOTAL ASSETS</b>	<u>\$ 1,155,511</u>	<u>\$ 65,440</u>	<u>\$ 61,200</u>
<b>LIABILITIES</b>			
Deferred Revenue	\$ -	-	\$ -
Accrued Interest Payable	-	-	-
Due to Other Funds	-	65,440	61,200
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>65,440</u>	<u>61,200</u>
<b>FUND BALANCE</b>			
Fund Balance			
Reserved for Text Books	50,433	-	-
Reserved for Debt Service	-	-	-
Reserved for Inventory	-	-	-
Unreserved, reported in:			
General Funds	1,105,078	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>1,155,511</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,155,511</u>	<u>\$ 65,440</u>	<u>\$ 61,200</u>

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

EXHIBIT C

TITLE XIX MEDICAID	SB-9	ED TECH EQUIPMENT ACT	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 32,494	\$ 268,538	\$ 3,415	\$ 348,790	\$ 1,372,495
-	-	300,778	-	544,210
-	3,474	-	9,864	14,206
-	-	661	-	715
-	-	-	58,176	182,738
-	-	-	-	-
-	-	-	-	1,101
-	-	-	1,013	1,013
-	-	-	-	192,876
<u>\$ 32,494</u>	<u>\$ 272,012</u>	<u>\$ 304,854</u>	<u>\$ 417,843</u>	<u>\$ 2,309,354</u>
\$ 32,494	\$ -	\$ -	\$ 36,714	\$ 69,208
-	-	-	15,515	15,515
-	-	-	66,236	192,876
<u>32,494</u>	<u>-</u>	<u>-</u>	<u>118,465</u>	<u>277,599</u>
-	-	-	-	50,433
-	-	-	195,536	195,536
-	-	-	1,013	1,013
-	-	-	-	1,105,078
-	-	-	102,829	102,829
-	272,012	304,854	-	576,866
<u>-</u>	<u>272,012</u>	<u>304,854</u>	<u>299,378</u>	<u>2,031,755</u>
<u>\$ 32,494</u>	<u>\$ 272,012</u>	<u>\$ 304,854</u>	<u>\$ 417,843</u>	<u>\$ 2,309,354</u>

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT D

RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS

June 30, 2009

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

Fund Balances - total governmental funds	\$	2,031,755
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		10,843,005
Compensated absences are not reported in the funds.		(92,759)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		(1,000,000)
Bond issuance costs are not due and payable in the current period and therefore are not reported in the funds		<u>24,844</u>
Net assets of governmental activities	\$	<u><u>11,806,845</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	GENERAL	TITLE I	IDEA - B ENTITLEMENT
<b>REVENUE</b>			
Federal Programs	\$ 25,985	\$ 281,093	\$ 146,238
State Programs	617,137	-	-
Local Programs	86,495	-	-
State Equalization	8,363,784	-	-
Property Taxes	37,796	-	-
Service Revenues	18,550	-	-
Interest	13,614	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	<u>9,163,361</u>	<u>281,093</u>	<u>146,238</u>
<b>EXPENDITURES</b>			
Current			
Instruction	5,157,398	212,409	98,473
Support Services	-	-	-
Support Services Students	891,352	68,684	46,926
Support Services Instruction	279,554	-	839
Support Services General Administration	196,937	-	-
Support Services School Administration	507,352	-	-
Central Services	255,216	-	-
Operation and Maintenance of Plant	1,244,236	-	-
Student Transportation	526,323	-	-
Other Support Services	-	-	-
Food Services Operations	45,894	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charge	-	-	-
TOTAL EXPENDITURES	<u>9,104,262</u>	<u>281,093</u>	<u>146,238</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	59,099	-	-
Other Financing Sources	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	59,099	-	-
<b>FUND BALANCE</b>			
June 30, 2008	<u>1,096,412</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>			
June 30, 2009	<u>\$ 1,155,511</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT E

TITLE XIX MEDICAID	SB-9	ED TECH EQUIPMENT ACT	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 40,255	\$ 153,364	\$ -	\$ 468,365	\$ 1,115,300
-	-	-	34,577	651,714
-	-	-	43,723	130,218
-	-	-	-	8,363,784
-	151,319	-	423,673	612,788
-	-	-	31,686	50,236
-	-	67	-	13,681
-	-	-	-	-
<u>40,255</u>	<u>304,683</u>	<u>67</u>	<u>1,002,024</u>	<u>10,937,721</u>
31,090	-	-	150,357	5,649,727
-	-	-	-	-
9,165	-	-	-	1,016,127
-	-	-	-	280,393
-	1,517	-	4,254	202,708
-	-	-	15,221	522,573
-	-	-	-	255,216
-	-	-	-	1,244,236
-	-	-	-	526,323
-	-	-	-	-
-	-	-	383,822	429,716
-	238,637	26,354	-	264,991
-	-	-	415,000	415,000
-	-	-	45,145	45,145
<u>40,255</u>	<u>240,154</u>	<u>26,354</u>	<u>1,013,799</u>	<u>10,852,155</u>
-	64,529	(26,287)	(11,775)	85,566
-	-	-	-	-
-	-	-	-	-
-	64,529	(26,287)	(11,775)	85,566
-	207,483	331,141	311,153	1,946,189
<u>\$ -</u>	<u>\$ 272,012</u>	<u>\$ 304,854</u>	<u>\$ 299,378</u>	<u>\$ 2,031,755</u>

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

Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds	\$ 85,566
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital Outlay	209,609
Depreciation	(658,106)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds</p>	
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items</p>	
	-
<p>Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences</p>	
	(1,850)
Amortization of bond issuance costs	(4,140)
Bond Principal	<u>415,000</u>
Change in Net Assets	<u>\$ 46,079</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT G

COMBINED STATEMENT OF REVENUE, EXPENDITURES--BUDGET  
(NON-GAAP) AND ACTUAL--GENERAL FUND

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 32,667	\$ 55,984	\$ 25,985	\$ (29,999)
State Revenue	8,917,936	8,975,023	8,980,921	5,898
Local Revenue	112,125	127,608	156,967	29,359
<b>TOTAL REVENUE</b>	<u>9,062,728</u>	<u>9,158,615</u>	<u>\$ 9,163,873</u>	<u>\$ 5,258</u>
BUDGETED CASH BALANCE	<u>1,109,372</u>	<u>1,096,643</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 10,172,100</u>	<u>\$ 10,255,258</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 5,573,460	\$ 5,545,916	\$ 5,157,398	\$ 388,518
Support Services	-	-	-	-
Support Services Students	968,894	965,244	891,352	73,892
Support Services Instruction	363,552	377,495	279,554	97,941
Support Services General Administration	394,892	327,892	196,937	130,955
Support Services School Administration	570,018	570,018	507,352	62,666
Central Services	322,424	305,824	255,216	50,608
Operation and Maintenance of Plant	1,418,062	1,547,153	1,244,236	302,917
Student Transportation	530,043	564,961	526,323	38,638
Other Support Services	4,860	4,860	-	4,860
Food Services Operations	25,895	45,895	45,894	1
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 10,172,100</u>	<u>\$ 10,255,258</u>	<u>\$ 9,104,262</u>	<u>\$ 1,150,996</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT H

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Federal Revenue	\$ 335,463	\$ 340,613	\$ 449,747	\$ 109,134
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>335,463</u>	<u>\$ 340,613</u>	<u>\$ 449,747</u>	<u>\$ 109,134</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 335,463</u>	<u>\$ 340,613</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 254,349	\$ 256,999	\$ 212,409	\$ 44,590
Support Services	-	-	-	-
Support Services Students	73,509	76,009	68,684	7,325
Support Services Instruction	-	-	-	-
Support Services General Administration	7,605	7,605	-	7,605
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 335,463</u>	<u>\$ 340,613</u>	<u>\$ 281,093</u>	<u>\$ 59,520</u>

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



STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT I

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 257,817	\$ 125,410	\$ (132,407)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>\$ 257,817</u>	<u>\$ 125,410</u>	<u>\$ (132,407)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 257,817</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 129,811	\$ 98,473	\$ 31,338
Support Services	-	-	-	-
Support Services Students	-	125,725	46,926	78,799
Support Services Instruction	-	2,281	839	1,442
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 257,817</u>	<u>\$ 146,238</u>	<u>\$ 111,579</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT J

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--MEDICAID TITLE XIX

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	72,701	72,749	48
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>72,701</u>	<u>\$ 72,749</u>	<u>\$ 48</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 72,701</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 63,528	\$ 31,090	\$ 32,438
Support Services	-	-	-	-
Support Services Students	-	9,173	9,165	8
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 72,701</u>	<u>\$ 40,255</u>	<u>\$ 32,446</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT K

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--SB-9

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	140,000	284,115	153,364	(130,751)
Local Revenue	170,488	170,488	151,657	(18,831)
<b>TOTAL REVENUE</b>	<u>310,488</u>	<u>454,603</u>	<u>\$ 305,021</u>	<u>\$ (149,582)</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>174,177</u>	 <u>174,177</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ 484,665</u>	 <u>\$ 628,780</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	1,705	1,705	1,517	188
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	482,960	627,075	241,874	385,201
<b>TOTAL EXPENDITURES</b>	<u>\$ 484,665</u>	<u>\$ 628,780</u>	<u>\$ 243,391</u>	<u>\$ 385,389</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT L

STATEMENT OF FIDUCIARY ASSETS & LIABILITIES

June 30, 2009

	<u>Employee Retirement Plan</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash on Deposit	\$ -	\$ 89,952
Investments, at fair value		
Mutual Funds	4,574	-
<b>TOTAL ASSETS</b>	<u>\$ 4,574</u>	<u>\$ 89,952</u>
<b>LIABILITIES</b>		
Due To Student Groups	\$ -	\$ 89,952
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>\$ 89,952</u>
<b>Net Assets</b>		
Held in trust for pension benefits and other purposes	4,574	
<b>TOTAL NET ASSETS</b>	<u>\$ 4,574</u>	

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2009

	Employee Retirement Plan
ADDITIONS:	
Contributions:	
Plan Members	\$ 10,800
Total contributions	<u>10,800</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	<u>220</u>
Total investment earnings	220
Less investment expense	<u>-</u>
Net investment earnings	<u>220</u>
TOTAL ADDITIONS	<u>11,020</u>
DEDUCTIONS	
Benefits	-
Refunds of contributions	10,800
Administrative expenses	<u>4,346</u>
TOTAL DEDUCTIONS	<u>15,146</u>
CHANGE IN NET ASSETS	(4,126)
Net Assets -- beginning of the year	8,700
Net Assets -- end of the year	<u>\$ 4,574</u>

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

For the fiscal year 2009 the Estancia Municipal Schools has implemented GASB Statements No. 33 (GASB 33), Accounting and Financial Reporting for Non-exchange Transactions, GASB Statement No. 34 (GASB 34), Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, GASB Statement No. 37 (GASB 37), Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus and GASB Statement No. 38 (GASB 38), Certain Financial Statements Disclosure. At July 1, 2001, there was no effect on fund balance as a result of implementing GASB 33, GASB 34, GASB 37 and GASB 38.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after thirty (30) days.

GASB – 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

B. Reporting Entity

Estancia Municipal School District is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Town of Estancia and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

The District does not have any component units required to be disclosed.

C. Government-wide and fund financial statements

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

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated un-collectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the qualifying expenditure is made and eligibility requirements imposed by the provider have been met.

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

Agency funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB33.

The government reports the following major governmental funds:

General Funds - The general fund consists of is the government's primary operating fund, which It accounts for all financial resources of the general government except those required to be accounted for in another fund, the transportation fund which accounts for pupil transportation and the instructional materials fund which accounts for the purchase of the textbooks and other instructional items.

Title I Special Revenue Fund - 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 Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 efseq.

IDEA-B Entitlement - P.L. 94-142, Individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

Title XIX- Medicaid – The fund is used for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

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  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Ed Tech Equipment Act – To ensure that American children have skills they need to succeed in the information-intensive 21<sup>st</sup> century, the Federal Government is committed to working with the private sector to promote four major developments in American education: making modern computer technology an integral part of every classroom; providing teachers with the professional development they need to use new technologies effectively; connecting classrooms to the National Information Infrastructure; and encouraging the creation of excellent educational software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1996, Public Law 104-106.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

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

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

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

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



STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

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

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." This interfund activity is eliminated in the government-wide financial statements.

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2009 fiscal year was \$82,839,357. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9 Capital Improvements Fund and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The District is capitalizing qualifying software, library books, and assets constructed by district personnel as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are to be capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

5. Compensated absences

It is the policy of Estancia Municipal Schools to permit certain employees to accumulate a limited amount of earned but unused sick pay, which will be paid to employees upon separation from the school districts' service. In governmental funds, the cost of sick pay is recognized when payments are made to employees. The accumulated compensated absences balance at June 30, 2009 was \$92,759.

6. Long-term obligations

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

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

7. Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; 2) imposed by law through constitutional provisions or enabling legislation. Total restricted net assets of \$772,402 are comprised of Capital Projects \$576,866 and Debt Service \$195,536.

8. Comparative data/reclassifications

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

9. Indirect Costs

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

10. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

11. Estimates

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

12. Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$8,363,784 in state equalization guarantee distributions during the year ended June 30, 2009.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$521,639 in transportation distributions during the year ended June 30, 2009.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$1,000,000 difference is as follows:

Bonds Payable	\$ 390,000
Ed Tech Equipment Notes	<u>610,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 1,000,000</u>

Another element of the reconciliation is the amounts provided for compensated absences. The details of the \$92,759 difference is as follows:

Compensated Absences	\$ <u>92,759</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 92,759</u>

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the \$(448,497) difference is as follows:

Capital Outlay	\$ 209,609
Depreciation expense	
Disposal of Capital Assets	<u>( 658,106)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ ( 448,497)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of the \$415,000 difference is as follows:

Principal repayments:	
General obligation debt	\$ 180,000
Ed Tech Notes	<u>235,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 415,000</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance. Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (continued)

A. Budgetary information, continued

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

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

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.
- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2009 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 10,172,100	\$ 10,255,258
Special Revenue Fund	1,335,381	2,006,837
Debt Service Fund	873,553	873,553
Capital Projects Fund	319,791	319,791
	<u>\$ 12,700,825</u>	<u>\$ 13,455,439</u>

B. Deficit fund equity

At June 30,2009 deficit fund balances consisted of: Ed Tech Debt Service \$ (13,868)

The District is evaluating the need to transfer cash from the operational fund to eliminate the deficit balances.

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2009, the carrying amount of the District's deposits was \$1,462,447 and the bank balance was \$2,124,848. Of this balance \$2,124,848 was covered by federal depository insurance and \$744,805 was covered by collateral held in joint safekeeping by a third party in the entities name.

Collateral requirements are as follows:

Wells Fargo Bank	Total Deposits	\$ 2,124,848
	Less: FDIC coverage	<u>2,124,848</u>
	Uninsured Public Funds	-
	Pledged collateral held by pledging bank's agent in the District's name	744,805
	Uninsured and un-collateralized	<u><u>-0-</u></u>

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The collateral pledged is listed on page 87 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool (LGIP) 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 direct obligations of the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the local government investment pool is voluntary. The credit risk rating for the LGIP is disclosed on Schedule 1 at page 86 of this report. The State Treasurer issues a separate, publicly available audited financial report that includes disclosure of the collateral pledged to secure State Treasurer cash and investments.

B. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 20, 2009, none of the government's bank balance and temporary investments of \$2,124,848 was exposed to custodial credit risk as follows:

Uninsured and un-collateralized \$ -0-



STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Receivables

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

	General	TITLE I	IDEA-B Entitlement	SB-9	Ed. Tech. Equip. Act	Other Governmental	TOTAL
Taxes:							
Property	\$ 868	\$ -	\$ -	\$ 3,474	\$ -	\$ 9,864	\$ 14,206
Intergovernmental							-
Grants:							-
Federal	1,101	63,362	61,200	-	-	58,176	183,839
State	-	-	-	-	-	-	-
Other: Interest Receivable	54	-	-	-	661	-	715
	<u>\$ 2,023</u>	<u>\$ 63,362</u>	<u>\$ 61,200</u>	<u>\$ 3,474</u>	<u>\$ 661</u>	<u>\$ 68,040</u>	<u>\$ 198,760</u>

Receivables are considered fully collectible.

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

	Unavailable
Grant draw downs prior to meeting all eligibility requirements	\$ 69,208
Total deferred/unearned revenue for government funds	<u>\$ 69,208</u>

D. Capital Assets

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

	Beginning Balance 7/1/2008	Prior Year Decreases	Adjusted Beginning Balance	Increases	Decreases	Ending Balance 6/30/2009
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 1,602,468	\$ -	\$ 1,602,468	\$ -	\$ -	\$ 1,602,468
Construction in Progress	46,761	-	46,761	24,113	46,761	24,113
Total Capital assets, not being depreciated	1,649,229	-	1,649,229	24,113	46,761	1,626,581
Capital assets, being depreciated:						
Equipment	\$ 1,472,073	-	1,472,073	\$ 124,004	\$ -	\$ 1,596,077
Building & Improvements	21,671,665	-	21,671,665	108,253	-	21,779,918
Total Capital assets being depreciated	23,143,738	-	23,143,738	232,257	-	23,375,995
Less accumulated depreciation for:						
Equipment	856,369	19,247	837,122	121,120	-	958,242
Building & Improvements	12,728,231	63,888	12,664,343	536,986	-	13,201,329
Total accumulated depreciation	13,584,600	83,135	13,501,465	658,106	-	14,159,571
Total Capital assets, being depreciated, net	9,559,138	(83,135)	9,642,273	(425,849)	-	9,216,424
Governmental activities capital assets, net	<u>\$ 11,208,367</u>	<u>(83,135)</u>	<u>11,291,502</u>	<u>\$ (401,736)</u>	<u>\$ 46,761</u>	<u>\$ 10,843,005</u>

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets (continued)

The Schedule of Capital Assets by Function and Activity, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Depreciation expense was not charged to function/programs of the School District because the detail information was not available.

Bond issuance costs are capitalized and amortized on straight line. Amortization activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Bond issuance costs	\$ 41,404	\$ -	\$ -	\$ 41,404
Less accumulated amortization	<u>12,420</u>	<u>4,140</u>	<u>-</u>	<u>16,560</u>
Bond issuance costs, net	<u>\$ 28,984</u>	<u>\$ (4,140)</u>	<u>\$ -</u>	<u>\$ 24,844</u>

E. Long-Term Debt

Governmental Activities  
Bonds Payable

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2008</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2009</u>	<u>Amounts due within One Year</u>
\$1,500,000 1999 GO Building Bonds due in annual installments of \$150,000 to \$200,000 through October 2010, interest at 3.85% to 5.75%	\$ 570,000	\$ -	\$ 180,000	\$ 390,000	\$ 190,000
\$1,200,000 2006 Educational Technology Notes due in \$125,000 to \$370,000 through January 2011, interest at 3.1% to 3.8%	845,000	-	235,000	610,000	240,000
Total	<u>\$ 1,415,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 1,000,000</u>	<u>\$ 430,000</u>



STATE OF NEW MEXICO  
 ESTANCIA CONSOLIDATED SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt (continued)

The annual requirements to amortize all bonded debt outstanding as of June 30, 2009, including interest of \$ 53,190 are shown below:

	<u>Governmental Activities</u>	
	<u>G.O. Bonds and Ed Tech Notes</u>	
	<u>Principal</u>	<u>Interest</u>
6/30/2010	\$ 430,000	\$ 35,080
6/30/2011	570,000	18,110
6/30/2012	-	-
6/30/2013	-	-
6/30/2014	-	-
TOTAL	<u>\$ 1,000,000</u>	<u>\$ 53,190</u>

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2009.

B. Contingent liabilities

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

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

C. Employee retirement plan

*Plan Description* - Substantially all of Estancia Municipal School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502-6129.

*Funding Policy* - Plan members are required to contribute 7.9% of their gross salary. Estancia Municipal School District is required to contribute 11.65% of the gross covered salary. The contribution requirements of plan members and the Estancia Municipal School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Estancia Municipal School District's contributions to the ERA for the years ended June 30, 2009, 2008 and 2007 were: \$650,468, \$564,908 and \$488,613 respectively, equal to the amount of the required contribution for the year.

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

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

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

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

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

D. Post-retirement health care benefits (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Contributions from participating employers and 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 audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained in writing by the Retiree Health Care Authority, Albuquerque State Government Center, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87107.

The Estancia Municipal schools contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$72,536, \$70,802 and \$65,300, respectively, which equal the required contributions for each year.

E. Restatement of Beginning Net Assets for Governmental Funds

	<u>Governmental Activities</u>
Net Assets at June 30, 2008	\$ 11,757,128
Prior Period Adjustments	
Correction to compensated absences	( 79,497)
Correction to accumulated depreciation	<u>83,135</u>
Net Assets at July 1, 2008	<u>\$ 11,760,766</u>

F. Transfers

Permanent transfers between funds consisted of:

Transfers are used to move revenue from the fund that statute or budget requires them to be collected in, to the fund that statute or budget requires them to be expend in. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. There were no permanent transfers for the year ending June 30, 2009.

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2009

V. OTHER INFORMATION (continued)

Note G – Restatements

There were no restatements to the Districts prior year fund balances.

Note H – Inter-fund Receivables

Cash overdrafts are inter-fund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2009, they consisted of the following:

Due to Operational	<u>\$ 192,876</u>
Due From	
Title I	\$ 65,440
IDEA-B Entitlement	61,200
IDEA-B Discretionary	6,014
USDA Fres Fruit and Vegetables	6,780
Enhancing Ed through tech - F	4,369
Teacher/Principal Training	27,809
Title I Stimulus	13,204
Ed Tech Debt Service	8,060
	<u>\$ 192,876</u>

Note I – Compensated Absences

It is the policy of Estancia Municipal Schools to permit certain employees to accumulate a certain amount of earned but unused sick pay, which will be paid to employees, as a bonus, upon separation from the school districts' service. In governmental funds, the cost of sick pay is recognized when payments are made to employees. The accumulated compensated absences balance at June 30, 2009 was \$ 92,759. Compensated absences are expended in the fund in which the liability is incurred. The general fund has been used to liquidate compensated absences in prior years. The summary in changes in compensated absences is as follows:

	6/30/08	Prior Year Adjustments	Adjusted Balance 6/30/2008	Additions	Reductions	6/30/09	Amounts due in One Year
Total Compensated Absences	\$ <u>11,412</u>	\$ <u>79,497</u>	\$ <u>90,909</u>	\$ <u>11,313</u>	\$ <u>(9,463)</u>	\$ <u>92,759</u>	\$ <u>92,759</u>

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

V. OTHER INFORMATION (continued)

Note J - Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional</u>
REVENUES			
Budgetary Basis	\$ 8,531,579	\$ 529,486	\$ 102,808
Add:			
Current Year Receivables & Other Credits	922	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>1,433</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 8,531,068</u>	<u>\$ 529,486</u>	<u>\$ 102,808</u>
EXPENDITURES			
Budgetary Basis	\$ 8,469,729	\$ 520,588	\$ 113,945
Add:			
Current Year Payables & Other Debits	1	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 8,469,730</u>	<u>\$ 520,588</u>	<u>\$ 113,945</u>

	<u>Cafeteria</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Discretionary</u>	<u>Preschool</u>	<u>USDA Fresh Fruit &amp; Vegetables</u>
\$	399,070	\$ 31,686	\$ 449,747	\$ 125,410	\$ -	\$ 14,725	\$ 11,547
	-	-	63,362	61,200	6,014	-	6,780
	-	-	<u>232,017</u>	<u>40,372</u>	-	<u>3,386</u>	<u>2,220</u>
\$	<u>399,070</u>	<u>\$ 31,686</u>	<u>\$ 281,092</u>	<u>\$ 146,238</u>	<u>\$ 6,014</u>	<u>\$ 11,339</u>	<u>\$ 16,107</u>
\$	367,334	\$ 34,091	\$ 281,092	\$ 146,238	\$ 6,014	\$ 11,339	\$ 16,107
	381	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>367,715</u>	<u>\$ 34,091</u>	<u>\$ 281,092</u>	<u>\$ 146,238</u>	<u>\$ 6,014</u>	<u>\$ 11,339</u>	<u>\$ 16,107</u>

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

V. OTHER INFORMATION (continued)

Note J - Reconciliation of Budgetary and GAAP Basis Amounts (Continued)

	Enhancing Ed thru Tech E2T2 - F	Title V Innovative Ed
REVENUES		
Budgetary Basis	\$ -	\$ 2,996
Add:		
Current Year Receivables & Other Credits	2,817	-
Deduct:		
Prior Year Receivables & Other Debits	-	2,996
REVENUE --GAAP BASIS	<u>\$ 2,817</u>	<u>\$ -</u>
EXPENDITURES		
Budgetary Basis	\$ 2,817	\$ -
Add:		
Current Year Payables & Other Debits	-	-
Deduct:		
Prior Year Payables & Other Credits	-	-
EXPENDITURES --GAAP BASIS	<u>\$ 2,817</u>	<u>\$ -</u>

Teacher/ Principal	Safe & Drug Free Communities	Title I Stimulus	Medicaid Title XIX	Tech for Ed	Incentives for School Improvement
\$ 96,740	\$ 1,461	\$ -	\$ 72,749	\$ 18,415	\$ -
27,808	-	13,204	-	-	20,220
<u>61,011</u>	<u>1,461</u>	<u>-</u>	<u>32,495</u>	<u>5,411</u>	<u>-</u>
\$ <u>63,537</u>	\$ <u>-</u>	\$ <u>13,204</u>	\$ <u>40,254</u>	\$ <u>13,004</u>	\$ <u>20,220</u>
\$ 63,537	\$ -	\$ 13,204	\$ 40,254	\$ 13,004	\$ 20,220
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>63,537</u>	\$ <u>-</u>	\$ <u>13,204</u>	\$ <u>40,254</u>	\$ <u>13,004</u>	\$ <u>20,220</u>



STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

V. OTHER INFORMATION (continued)

Note J - Reconciliation of Budgetary and GAAP Basis Amounts (Continued)

	Beginning Teacher Mentoring	Library Book Fund	Libraries SB 301 GO Bonds
REVENUES			
Budgetary Basis	\$ 3,009	\$ 2,915	\$ 19,499
Add:			
Current Year Receivables & Other Credits	-	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>1,655</u>	<u>2,915</u>	<u>19,499</u>
REVENUE --GAAP BASIS	<u>\$ 1,354</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Budgetary Basis	\$ 1,354	\$ -	\$ -
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 1,354</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>SB-9</u>	<u>SCO State</u>	<u>Ed Tech Equipment Act</u>	<u>Debt Service</u>	<u>Ed Tech Debt Service</u>
\$	305,021	\$ -	\$ -	\$ 163,859	\$ 261,513
	3,474	-	67	4,082	5,782
	<u>3,812</u>	<u>-</u>	<u>-</u>	<u>6,400</u>	<u>5,163</u>
\$	<u>304,683</u>	\$ <u>-</u>	\$ <u>67</u>	\$ <u>161,541</u>	\$ <u>262,132</u>
\$	243,391	\$ -	\$ 26,354	\$ 200,939	\$ 269,725
	-	-	-	3,925	11,590
	<u>3,238</u>	<u>-</u>	<u>-</u>	<u>5,725</u>	<u>16,055</u>
\$	<u>240,153</u>	\$ <u>-</u>	\$ <u>26,354</u>	\$ <u>199,139</u>	\$ <u>265,260</u>

## 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  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-1

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2009

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
<b>ASSETS</b>				
Cash on Deposit	\$ 632,260	\$ 34,487	\$ 50,433	\$ 717,180
Investments	243,432	-	-	243,432
Accounts Receivable				
Property Taxes	868	-	-	868
Interest	54	-	-	54
Federal	-	-	-	-
State	-	-	-	-
Due from Other Governments	1,101	-	-	1,101
Inventories	-	-	-	-
Due from Other Funds	192,876	-	-	192,876
<b>TOTAL ASSETS</b>	<b>\$ 1,070,591</b>	<b>\$ 34,487</b>	<b>\$ 50,433</b>	<b>\$ 1,155,511</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Credits	-	-	-	-
Accrued Interest Payable	-	-	-	-
Due to Other Funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved for Text Books	-	-	50,433	50,433
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	-
Undesignated, reported in:				
General Funds	1,070,591	34,487	-	1,105,078
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>1,070,591</b>	<b>34,487</b>	<b>50,433</b>	<b>1,155,511</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,070,591</b>	<b>\$ 34,487</b>	<b>\$ 50,433</b>	<b>\$ 1,155,511</b>

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-2

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2009

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
<b>REVENUE</b>				
Federal Programs	\$ 25,985	\$ -	\$ -	\$ 25,985
State Programs	460	521,639	95,038	617,137
Local Programs	70,878	7,847	7,770	86,495
State Equalization	8,363,784	-	-	8,363,784
Property Taxes	37,796	-	-	37,796
Service Revenues	18,550	-	-	18,550
Interest	13,614	-	-	13,614
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>8,531,067</b>	<b>529,486</b>	<b>102,808</b>	<b>9,163,361</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	5,048,798	-	108,600	5,157,398
Support Services	-	-	-	-
Support Services Students	891,352	-	-	891,352
Support Services Instruction	274,209	-	5,345	279,554
Support Services General Administration	196,937	-	-	196,937
Support Services School Administration	507,352	-	-	507,352
Central Services	255,216	-	-	255,216
Operation and Maintenance of Plant	1,244,236	-	-	1,244,236
Student Transportation	5,735	520,588	-	526,323
Other Support Services	-	-	-	-
Food Services Operations	45,894	-	-	45,894
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>8,469,729</b>	<b>520,588</b>	<b>113,945</b>	<b>9,104,262</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>61,338</b>	<b>8,898</b>	<b>(11,137)</b>	<b>59,099</b>
<b>Other Financial Sources (Uses)</b>				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>61,338</b>	<b>8,898</b>	<b>(11,137)</b>	<b>59,099</b>
<b>FUND BALANCE</b>				
June 30, 2008	1,009,253	25,589	61,570	1,096,412
Prior Period Adjustment	-	-	-	-
June 30, 2008 as restated	1,009,253	25,589	61,570	1,096,412
<b>FUND BALANCE</b>				
June 30, 2009	\$ 1,070,591	\$ 34,487	\$ 50,433	\$ 1,155,511

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 42,625	\$ 42,625	\$ 37,880	\$ (4,745)
Fees - Summer School	4,000	4,000	4,100	100
Fees - Activities	-	-	-	-
Fees - Educational	3,500	3,500	1,690	(1,810)
Rent and Leases	-	-	-	-
Fees-Users	-	-	12,760	12,760
Interest Income	60,000	60,000	14,042	(45,958)
Refunds	1,000	1,000	328	(672)
State Equalization	8,295,243	8,360,734	8,363,784	3,050
Emergency utility costs	-	-	-	-
Sale of Personal Property	-	-	-	-
Insurance Recoveries	1,000	1,000	70,550	69,550
Donations	-	-	-	-
Fees-Govt Agencies	-	-	-	-
Forrest Reserve	2,667	25,984	25,985	1
Access Board (E-Rate)	30,000	30,000	-	(30,000)
Instructional Categorical	-	-	460	460
<b>TOTAL REVENUE</b>	<u>8,440,035</u>	<u>8,528,843</u>	<u>8,531,579</u>	<u>2,736</u>
<b>BUDGETED CASH BALANCE</b>	<u>1,049,782</u>	<u>1,011,579</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 9,489,817</u>	<u>\$ 9,540,422</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 5,426,742	\$ 5,396,539	\$ 5,048,798	\$ 347,741
Support Services	-	-	-	-
Support Services Students	968,894	965,244	891,352	73,892
Support Services Instruction	358,030	366,997	274,209	92,788
Support Services General Administration	394,892	327,892	196,937	130,955
Support Services School Administration	570,018	570,018	507,352	62,666
Central Services	322,424	305,824	255,216	50,608
Operation and Maintenance of Plant	1,418,062	1,547,153	1,244,236	302,917
Student Transportation	-	10,000	5,735	4,265
Other Support Services	4,860	4,860	-	4,860
Food Services Operations	25,895	45,895	45,894	1
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 9,489,817</u>	<u>\$ 9,540,422</u>	<u>\$ 8,469,729</u>	<u>\$ 1,070,693</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT A-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--TRANSPORTATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	530,043	521,639	521,639	-
Local Revenue	-	7,848	7,847	(1)
<b>TOTAL REVENUE</b>	<u>530,043</u>	<u>529,487</u>	<u>\$ 529,486</u>	<u>\$ (1)</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>-</u>	 <u>25,474</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ 530,043</u>	 <u>\$ 554,961</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	530,043	554,961	520,588	34,373
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 530,043</u>	<u>\$ 554,961</u>	<u>\$ 520,588</u>	<u>\$ 34,373</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	92,650	92,650	95,038	2,388
Local Revenue	-	7,635	7,770	135
<b>TOTAL REVENUE</b>	<u>92,650</u>	<u>100,285</u>	<u>\$ 102,808</u>	<u>\$ 2,523</u>
<b>BUDGETED CASH BALANCE</b>	<u>59,590</u>	<u>59,590</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 152,240</u>	<u>\$ 159,875</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 146,718	\$ 149,377	\$ 108,600	\$ 40,777
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	5,522	10,498	5,345	5,153
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 152,240</u>	<u>\$ 159,875</u>	<u>\$ 113,945</u>	<u>\$ 45,930</u>

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



## SPECIAL REVENUE FUNDS

CAFETERIA - 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, New Mexico Statutes Annotated, State Law 22-13-13.

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. Authority for this fund is the New Mexico Administrative Code 6.20.2.

IDEA-B DISCRETIONARY- P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public laws 91-230, 93-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA-B PRESCHOOL- P.L. 94-142, Individuals with Disabilities Education Act--to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

USDA FRUIT & VEGETABLE – to account for the expenditures and revenue for a Fresh Fruit and Vegetable Program as authorized by Public Law 109-97 and Section 120 of the Child Nutrition and WIC Reauthorization Act 2004. The FFVP provides all children in participating schools with a variety of free fresh fruits and vegetables throughout the school day as a means of introducing fresh fruits and vegetables as healthy snack alternatives. CFDA #10.582.

ENHANCING EDUCATION THRU EDUCATION-E2T2-F—to provide grants to State Education Agencies on a formula basis to improve student academic achievement through the use of technology in schools, assist all students in becoming technologically literate by the end of the eighth grade and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended.

TITLE V – to assist State and local educational agencies in the reform of elementary and secondary education. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20U.S.C. 7301-7373.

TEACHER PRINCIPAL TRAINING — to provide grants to State Education Agencies 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. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES — to offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, involve parents, and coordinated with related Federal, State and community efforts and resources. The authority for the creation of this fund is the Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

TITLE I FEDERAL STIMULUS – Fund to supplement State and local funding for low-achieving children, especially in high-poverty schools. The program finances the additional academic support and learning opportunities that are often required to help disadvantaged students progress along with their classmates. Fund and authority provided under the American Recovery and Reinvestment Act.

TECHNOLOGY FOR EDUCATION – to account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT – to account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

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

LIBRARIES SB301 G.O. BONDS – to account for funds received to update and to expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by election of SB301.

LIBRARY BOOK FUND – to account for monies received to be used for the purchase of School library books. Financing and authority is provided by the New Mexico State Legislature, 2008 Senate Bill 471.

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	CAFETERIA	ATHLETICS	IDEA-B DISCRETIONARY	
<b>ASSETS</b>				
Cash on Deposit	\$ 91,045	\$ 11,784	\$ -	\$
Investments	-	-	-	
Accounts Receivable				
Property Taxes	-	-	-	
Interest	-	-	-	
Federal	-	-	6,014	
State	-	-	-	
Due from Other Governments	-	-	-	
Inventories	1,013	-	-	
Due from Other Funds	-	-	-	
Prepaid expenditures	-	-	-	
<b>TOTAL ASSETS</b>	<b>\$ 92,058</b>	<b>\$ 11,784</b>	<b>\$ 6,014</b>	<b>\$</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$
Deferred Revenue	-	-	-	
Accrued Interest	-	-	-	
Due to Other Funds	-	-	6,014	
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>6,014</b>	
<b>FUND BALANCE</b>				
Reserved for Text Books	-	-	-	
Reserved for Debt Service	-	-	-	
Reserved for Inventory	1,013	-	-	
Undesignated, reported in:				
General Funds	-	-	-	
Special Revenue Funds	91,045	11,784	-	
Capital Projects Funds	-	-	-	
<b>TOTAL FUND BALANCE</b>	<b>92,058</b>	<b>11,784</b>	<b>-</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 92,058</b>	<b>\$ 11,784</b>	<b>\$ 6,014</b>	<b>\$</b>

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

EXHIBIT B-1

IDEA-B PRESCHOOL	USDA FRESH FRUIT & VEGETABLES	ENHANCING ED THRU TECH E2T2 - F	TITLE V INNOVATIVE ED PROGRAM	TEACHER/ PRINCIPAL TRAINING
370	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	6,780	4,369	-	27,809
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>370</u>	<u>\$ 6,780</u>	<u>\$ 4,369</u>	<u>\$ -</u>	<u>\$ 27,809</u>
-	\$ -	\$ -	\$ -	\$ -
370	-	-	-	-
-	-	-	-	-
-	6,780	4,369	-	27,809
<u>370</u>	<u>6,780</u>	<u>4,369</u>	<u>-</u>	<u>27,809</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>370</u>	<u>\$ 6,780</u>	<u>\$ 4,369</u>	<u>\$ -</u>	<u>\$ 27,809</u>

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

JUNE 30, 2009

	DRUG FREE SCHOOLS & COMMUNITIES	TITLE I STIMULUS	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPR. ACT
<b>ASSETS</b>				
Cash on Deposit	\$ -	\$ -	\$ 15,234	\$ 15,524
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	-	-	-	-
Interest	-	-	-	-
Federal	-	13,204	-	-
State	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
Prepaid expenditures	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 13,204</b>	<b>\$ 15,234</b>	<b>\$ 15,524</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	15,234	15,524
Accrued Interest	-	-	-	-
Due to Other Funds	-	13,204	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>13,204</b>	<b>15,234</b>	<b>15,524</b>
<b>FUND BALANCE</b>				
Reserved for Text Books	-	-	-	-
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	-
Undesignated, reported in:				
General Funds	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 13,204</b>	<b>\$ 15,234</b>	<b>\$ 15,524</b>

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

EXHIBIT B-1  
CONTINUED

BEGINNING TEACHER MENTORING	LIBRARIES-SB 301 GO BONDS	LIBRARY BOOK FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 2,671	\$ -	\$ 2,915	\$ 139,543
-	-	-	-
-	-	-	-
-	-	-	58,176
-	-	-	-
-	-	-	1,013
-	-	-	-
-	-	-	-
<u>\$ 2,671</u>	<u>\$ -</u>	<u>\$ 2,915</u>	<u>\$ 198,732</u>
\$ -	\$ -	\$ -	\$ -
2,671	-	2,915	36,714
-	-	-	-
-	-	-	58,176
<u>2,671</u>	<u>-</u>	<u>2,915</u>	<u>94,890</u>
-	-	-	-
-	-	-	-
-	-	-	1,013
-	-	-	-
-	-	-	102,829
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>103,842</u>
<u>\$ 2,671</u>	<u>\$ -</u>	<u>\$ 2,915</u>	<u>\$ 198,732</u>

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

JUNE 30, 2009

	CAFETERIA	ATHLETICS	IDEA-B DISCRETIONARY
REVENUE			
Federal Programs	\$ 355,347	\$ -	\$ 6,014
State Programs	-	-	-
Local Programs	43,723	-	-
State Equalization	-	-	-
Property Taxes	-	-	-
Service Revenues	-	31,686	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	<u>399,070</u>	<u>31,686</u>	<u>6,014</u>
EXPENDITURES			
Current			
Instruction	-	34,090	6,014
Support Services	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	-	-	-
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	367,715	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest and Fiscal Charge	-	-	-
TOTAL EXPENDITURES	<u>367,715</u>	<u>34,090</u>	<u>6,014</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	31,355	(2,404)	-
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN/ TRANSFERS OUT	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	31,355	(2,404)	-
FUND BALANCE			
June 30, 2008	60,703	14,188	-
FUND BALANCE			
June 30, 2009	<u>\$ 92,058</u>	<u>\$ 11,784</u>	<u>\$ -</u>

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





STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

JUNE 30, 2009

	DRUG FREE SCHOOLS & COMMUNITIES	TITLE I STIMULUS	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPR. ACT
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 13,204	\$ -	\$ -
State Programs	-	-	13,004	20,219
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Property Taxes	-	-	-	-
Service Revenues	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>13,204</u>	<u>13,004</u>	<u>20,219</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	13,204	13,004	4,998
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	15,221
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>13,204</u>	<u>13,004</u>	<u>20,219</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN/ TRANSFERS (OUT)	-	-	-	-
<b>TOTAL OTHER FINANCIANG SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE</b>				
June 30, 2008	-	-	-	-
<b>FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT B-2  
CONTINUED

BEGINNING TEACHER MENTORING	LIBRARIES-SB 301 GO BONDS	LIBRARY BOOK FUND	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ 468,365
1,354	-	-	34,577
-	-	-	43,723
-	-	-	-
-	-	-	-
-	-	-	31,686
-	-	-	-
-	-	-	-
<u>1,354</u>	<u>-</u>	<u>-</u>	<u>578,351</u>
1,354	-	-	150,357
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	15,221
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	383,822
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,354</u>	<u>-</u>	<u>-</u>	<u>549,400</u>
-	-	-	28,951
-	-	-	-
-	-	-	-
-	-	-	28,951
-	-	-	74,891
<u>-</u>	<u>-</u>	<u>-</u>	<u>103,842</u>

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 325,000	\$ 325,000	\$ 355,347	\$ 30,347
State Revenue	-	-	-	-
Local Revenue	24,000	24,000	43,723	19,723
<b>TOTAL REVENUE</b>	<u>349,000</u>	<u>\$ 349,000</u>	<u>\$ 399,070</u>	<u>\$ 50,070</u>
BUDGETED CASH BALANCE	<u>45,763</u>	<u>45,763</u>		
TOTAL REVENUE & CASH	<u>\$ 394,763</u>	<u>\$ 394,763</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	394,763	394,763	367,334	27,429
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 394,763</u>	<u>\$ 394,763</u>	<u>\$ 367,334</u>	<u>\$ 27,429</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	21,000	21,000	31,686	10,686
<b>TOTAL REVENUE</b>	<u>21,000</u>	<u>21,000</u>	<u>\$ 31,686</u>	<u>\$ 10,686</u>
<b>BUDGETED CASH BALANCE</b>	<u>17,654</u>	<u>17,654</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 38,654</u>	<u>\$ 38,654</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 38,654	\$ 38,654	\$ 34,090	\$ 4,564
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 38,654</u>	<u>\$ 38,654</u>	<u>\$ 34,090</u>	<u>\$ 4,564</u>

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B DISCRETIONARY

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 6,656	\$ -	\$ (6,656)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>6,656</u>	<u>\$ -</u>	<u>\$ (6,656)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,656</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 6,656	\$ 6,014	\$ 642
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,656</u>	<u>\$ 6,014</u>	<u>\$ 642</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B PRESCHOOL

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 11,884	\$ 14,725	\$ 2,841
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>11,884</u>	<u>\$ 14,725</u>	<u>\$ 2,841</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 11,884</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 11,884	\$ 11,339	\$ 545
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 11,884</u>	<u>\$ 11,339</u>	<u>\$ 545</u>

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

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--USDA FRUIT & VEGETABLE PROGRAM

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 16,110	\$ 11,547	\$ (4,563)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>16,110</u>	<u>\$ 11,547</u>	<u>\$ (4,563)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 16,110</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	16,110	16,107	3
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 16,110</u>	<u>\$ 16,107</u>	<u>\$ 3</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP) AND ACTUAL  
 --SPECIAL REVENUE FUND--ENHANCING ED THRU TECHNOLOGY - E2T2-F

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 2,848	\$ -	\$ (2,848)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>2,848</u>	<u>\$ -</u>	<u>\$ (2,848)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 2,848</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 2,848	\$ 2,817	\$ 31
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 2,848</u>	<u>\$ 2,817</u>	<u>\$ 31</u>

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



STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-9

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE V INNOVATION ED PROG STRATEGIES

Year Ended June 30, 2009

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 230	\$ 230	\$ 2,996	\$ 2,766
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>230</u>	<u>230</u>	<u>\$ 2,996</u>	<u>\$ 2,766</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 230</u>	<u>\$ 230</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 230	\$ 230	\$ -	\$ 230
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 230</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TEACHER\PRINCIPAL TRAINING

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 75,630	\$ 75,630	\$ 96,740	\$ 21,110
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>75,630</u>	<u>75,630</u>	<u>\$ 96,740</u>	<u>\$ 21,110</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 75,630</u>	<u>\$ 75,630</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 73,255	\$ 73,255	\$ 63,537	\$ 9,718
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	2,375	2,375	-	2,375
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 75,630</u>	<u>\$ 75,630</u>	<u>\$ 63,537</u>	<u>\$ 12,093</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--SAFE & DRUG FREE SCHOOLS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 5,976	\$ 5,976	\$ 1,461	\$ (4,515)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>5,976</u>	<u>5,976</u>	<u>\$ 1,461</u>	<u>\$ (4,515)</u>
BUDGETED CASH BALANCE	<u>                    </u>	<u>                    -</u>		
TOTAL REVENUE & CASH	<u>\$ 5,976</u>	<u>\$ 5,976</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 5,976	\$ 5,976	\$ -	\$ 5,976
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	179	179	-	179
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 6,155</u>	<u>\$ 6,155</u>	<u>\$ -</u>	<u>\$ 6,155</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT B-12

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I STIMULUS

Year Ended June 30, 2009

	ORIGINAL ACTUAL	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 87,978	\$ -	\$ (87,978)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>87,978</u>	<u>\$ -</u>	<u>\$ (87,978)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 87,978</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 84,986	\$ 13,204	\$ 71,782
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	2,992	-	2,992
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 87,978</u>	<u>\$ 13,204</u>	<u>\$ 74,774</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	27,452	18,415	(9,037)
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>27,452</u>	<u>\$ 18,415</u>	<u>\$ (9,037)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 27,452</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 27,452	\$ 13,004	\$ 14,448
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 27,452</u>	<u>\$ 13,004</u>	<u>\$ 14,448</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	35,736	-	(35,736)
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>35,736</u>	<u>\$ -</u>	<u>\$ (35,736)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 35,736</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 5,736	\$ 4,998	\$ 738
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	2,000	-	2,000
Support Services General Administration	-	-	-	-
Support Services School Administration	-	28,000	15,221	12,779
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 35,736</u>	<u>\$ 20,219</u>	<u>\$ 15,517</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--BEGINNING TEACHER MENTORING

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	3,009	3,009	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>3,009</u>	<u>\$ 3,009</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,009</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 4,026	\$ 1,354	\$ 2,672
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 4,026</u>	<u>\$ 1,354</u>	<u>\$ 2,672</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARIES SB 301 GO BONDS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	19,499	19,499
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 19,499</u>	<u>\$ 19,499</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY BOOK FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	2,915	2,915
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 2,915</u>	<u>\$ 2,915</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## DEBT SERVICE FUND

DEBT SERVICE FUND - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

EDUCATIONAL TECHNOLOGY DEBT SERVICE – to receive revenue for the payment of interest and principal on debt incurred in the expansion of technology in the District.

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-1

COMBINING BALANCE SHEET -- NON-MAJOR GOVERNMENTAL FUNDS  
DEBT SERVICE FUND

June 30, 2009

	DEBT SERVICE	ED TECH DEBT SERVICE	TOTAL NONMAJOR DEBT SERVICE
<b>ASSETS</b>			
Cash on Deposit	\$ 209,247	\$ -	\$ 209,247
Investments	-	-	-
Accounts Receivable			
Property Taxes	4,082	5,782	9,864
Interest	-	-	-
Federal	-	-	-
State	-	-	-
Inventories	-	-	-
Due from Other Funds	-	-	-
Prepaid expenditures	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 213,329</b>	<b>\$ 5,782</b>	<b>\$ 219,111</b>
<b>LIABILITIES AND OTHER CREDITS</b>			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Credits	-	-	-
Accrued Interest	3,925	11,590	15,515
Due to Other Funds	-	8,060	8,060
<b>TOTAL LIABILITIES</b>	<b>3,925</b>	<b>19,650</b>	<b>23,575</b>
<b>FUND BALANCE</b>			
Fund Balance			
Reserved for Text Books	-	-	-
Reserved for Debt Service	209,404	(13,868)	195,536
Reserved for Inventory	-	-	-
Undesignated, reported in:			
General Funds	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>209,404</b>	<b>(13,868)</b>	<b>195,536</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 213,329</b>	<b>\$ 5,782</b>	<b>\$ 219,111</b>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-2

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
 IN FUND BALANCE -- NON-MAJOR GOVERNMENTAL FUNDS  
 DEBT SERVICE FUND

Year Ended June 30, 2009

	<u>DEBT SERVICE</u>	<u>ED TECH DEBT SERVICE</u>	<u>TOTAL NONMAJOR DEBT SERVICE</u>
<b>REVENUE</b>			
Federal Programs	\$ -	\$ -	\$ -
State Programs	-	-	-
Local Programs	-	-	-
State Equalization	-	-	-
Property Taxes	161,541	262,132	423,673
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
TOTAL REVENUES	<u>161,541</u>	<u>262,132</u>	<u>423,673</u>
<b>EXPENDITURES</b>			
Current			
Support Services General	1,639	2,615	4,254
Debt Service			
Principal	180,000	235,000	415,000
Interest and Fiscal Charge	17,500	27,645	45,145
TOTAL EXPENDITURES	<u>199,139</u>	<u>265,260</u>	<u>464,399</u>
<b>EXCESS (DEFICIENCY) OF</b>			
REVENUE OVER EXPENDITURES	(37,598)	(3,128)	(40,726)
Other Financial Sources (Uses)			
Transfer/Refunds	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(37,598)	(3,128)	(40,726)
<b>FUND BALANCE</b>			
June 30, 2008	<u>247,002</u>	<u>(10,740)</u>	<u>236,262</u>
<b>FUND BALANCE</b>			
June 30, 2009	<u>209,404</u>	<u>(13,868)</u>	<u>195,536</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--DEBT SERVICE FUND

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 201,293	\$ 201,293	\$ 163,859	\$ (37,434)
<b>TOTAL REVENUE</b>	<u>201,293</u>	<u>\$ 201,293</u>	<u>\$ 163,859</u>	<u>\$ (37,434)</u>
BUDGETED CASH BALANCE	<u>400,356</u>	<u>400,356</u>		
TOTAL REVENUE & CASH	<u>\$ 601,649</u>	<u>\$ 601,649</u>		
<b>EXPENDITURES</b>				
Support Services General Administration	\$ 2,013	\$ 2,013	\$ 1,639	\$ 374
Debt Service - Principal	580,336	580,336	180,000	400,336
Debt Service - Interest	19,300	19,300	19,300	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 601,649</u>	<u>\$ 601,649</u>	<u>\$ 200,939</u>	<u>\$ 400,710</u>

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

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT C-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--ED TECH DEBT SERVICE FUND

Year Ended June 30, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 269,782	\$ 269,782	\$ 261,513	\$ (8,269)
<b>TOTAL REVENUE</b>	<u>269,782</u>	<u>\$ 269,782</u>	<u>\$ 261,513</u>	<u>\$ (8,269)</u>
BUDGETED CASH BALANCE	<u>2,122</u>	<u>2,122</u>		
TOTAL REVENUE & CASH	<u>\$ 271,904</u>	<u>\$ 271,904</u>		
<b>EXPENDITURES</b>				
Support Services General Administration	\$ 2,698	\$ 2,698	\$ 2,615	\$ 83
Debt Service - Principal	237,096	237,096	235,000	2,096
Debt Service - Interest	32,110	32,110	32,110	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 271,904</u>	<u>\$ 271,904</u>	<u>\$ 269,725</u>	<u>\$ 2,179</u>

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

## CAPITAL PROJECTS FUND

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  
 ESTANCIA MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECTS FUNDS

JUNE 30, 2009

	SPECIAL CAPITAL OUTLAY STATE	TOTAL NONMAJOR CAPITAL PROJECTS
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash on Deposit	\$ -	\$ -
Investments	-	-
Accounts Receivable		
Property Taxes	-	-
Interest	-	-
Federal	-	-
State	-	-
Due from Other Governments	-	-
Inventories	-	-
Due from Other Funds	-	-
Prepaid expenditures	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND OTHER CREDITS</b>		
Accounts Payable	\$ -	\$ -
Deferred Revenue	-	-
Accrued Interest	-	-
Due to Other Funds	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>		
Reserved for Text Books	-	-
Reserved for Debt Service	-	-
Reserved for Inventory	-	-
Undesignated, reported in:		
General Funds	-	-
Special Revenue Funds	-	-
Capital Projects Funds	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>

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



EXHIBIT D-1

	TOTAL NONMAJOR SPECIAL REVENUE		TOTAL NONMAJOR DEBT SERVICE		TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$	139,543	\$	209,247	\$	348,790
	-		-		-
	-		9,864		9,864
	-		-		-
	58,176		-		58,176
	-		-		-
	1,013		-		1,013
	-		-		-
	-		-		-
\$	<u>198,732</u>		<u>219,111</u>	\$	<u>417,843</u>
\$	-	\$	-	\$	-
	36,714		-		36,714
	-		15,515		15,515
	58,176		8,060		66,236
	<u>94,890</u>		<u>23,575</u>		<u>118,465</u>
	-		-		-
	-		195,536		195,536
	1,013		-		1,013
	-		-		-
	102,829		-		102,829
	-		-		-
	<u>103,842</u>		<u>195,536</u>		<u>299,378</u>
\$	<u>198,732</u>	\$	<u>219,111</u>	\$	<u>417,843</u>

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE --NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

JUNE 30, 2009

	SPECIAL CAPITAL OUTLAY STATE	TOTAL NONMAJOR CAPITAL PROJECTS
	<u>                    </u>	<u>                    </u>
REVENUE		
Federal Programs	\$ -	\$ -
State Programs	-	-
Local Programs	-	-
State Equalization	-	-
Property Taxes	-	-
Service Revenues	-	-
Interest	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>                    </u> <u>                    </u>	<u>                    </u> <u>                    </u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services Students	-	-
Support Services Instruction	-	-
Support Services General Administration	-	-
Support Services School Administration	-	-
Food Services Operations	-	-
Capital Outlay	-	-
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>                    </u> <u>                    </u>	<u>                    </u> <u>                    </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>                    </u> <u>                    </u>	<u>                    </u> <u>                    </u>
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE		
June 30, 2008	<u>                    </u>	<u>                    </u>
FUND BALANCE		
June 30, 2009	<u>                    </u> <u>                    </u>	<u>                    </u> <u>                    </u>

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

EXHIBIT D-2

TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 468,365	\$ -	\$ 468,365
34,577	-	34,577
43,723	-	43,723
-	-	-
-	423,673	423,673
31,686	-	31,686
-	-	-
-	-	-
<u>578,351</u>	<u>423,673</u>	<u>1,002,024</u>
150,357	-	150,357
-	-	-
-	-	-
-	-	-
-	4,254	4,254
15,221	-	15,221
383,822	-	383,822
-	-	-
-	415,000	415,000
-	45,145	45,145
<u>549,400</u>	<u>464,399</u>	<u>1,013,799</u>
28,951	(40,726)	(11,775)
-	-	-
-	-	-
28,951	(40,726)	(11,775)
74,891	236,262	311,153
<u>\$ 103,842</u>	<u>\$ 195,536</u>	<u>\$ 299,378</u>

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT D-3

STATEMENT OF REVENUE & EXPENDITURES--  
 BUDGET (NON-GAAP) AND ACTUAL--  
 SPECIAL CAPITAL OUTLAY STATE  
 CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
State Sources	\$ -	\$ -	\$ -	\$ -
Earnings from Investments	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL CASH & REVENUE	 <u>\$ -</u>	 <u>\$ -</u>		
 EXPENDITURES				
Capital Outlay	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

OTHER MAJOR FUND INFORMATION

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

EXHIBIT E-1

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL- -- ED TECH EQUIPMENT ACT--CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>319,791</u>	<u>319,791</u>		
TOTAL REVENUE & CASH	<u>\$ 319,791</u>	<u>\$ 319,791</u>		
<b>EXPENDITURES</b>				
Capital Outlay	\$ 319,791	\$ 319,791	\$ 26,354	\$ 293,437
TOTAL EXPENDITURES	<u>\$ 319,791</u>	<u>\$ 319,791</u>	<u>\$ 26,354</u>	<u>\$ 293,437</u>

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

## AGENCY FUNDS

AGENCY FUND--To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS

Year Ended June 30, 2009

	Balance 6/30/2008	ADDITIONS	DEDUCTIONS	Balance 6/30/2009
<b>Assets</b>				
Cash				
District Board Scholarship	\$ 1,582	\$ -	\$ -	\$ 1,582
District Savings/Interest Account	1,330	-	133	1,197
District Public Relations Fund	-	-	-	-
Dist-Library Funds	-	232	-	232
Dist-Exceptional Programs	484	7,880	6,856	1,508
EVLC-Book Deposits	4,015	350	2,600	1,765
EVLC-Grants	992	-	-	992
Estancia High School	60,324	108,082	117,273	51,133
Estancia Middle School	15,818	34,011	31,310	18,519
Estancia Elementary School	13,045	36,450	36,471	13,024
Total Cash	<u>97,590</u>	<u>187,005</u>	<u>194,643</u>	<u>89,952</u>
Total Assets	<u>\$ 97,590</u>	<u>\$ 187,005</u>	<u>\$ 194,643</u>	<u>\$ 89,952</u>
<b>Liabilities</b>				
Due to Student groups	\$ 97,590	\$ 187,005	\$ 194,643	\$ 89,952
Total Liabilities	<u>\$ 97,590</u>	<u>\$ 187,005</u>	<u>\$ 194,643</u>	<u>\$ 89,952</u>



OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 1

BANK SUMMARY

JUNE 30, 2009

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
Wells Fargo Bank	Checking	Multi Fund	1,462,965	(104,624)	1,358,341
	Checking	Athletics	11,958	(174)	11,784
	Checking	Activity	91,818	(1,866)	89,952
	Checking	Payroll Clearing	558,107	(555,737)	2,370
Total Wells Fargo Bank			<u>2,124,848</u>	<u>(662,401)</u>	<u>1,462,447</u>
New Mexico State Treasurer	LGIP	Operational	* 237,619	-	237,619
New Mexico State Treasurer	LGIP	Operational	* 5,813	-	5,813
New Mexico State Treasurer	LGIP	Ed Tech. Equip. Act	* 293,597	-	293,597
New Mexico State Treasurer	LGIP	Ed Tech. Equip. Act	* 7,181	-	7,181
			<u>544,210</u>	<u>-</u>	<u>544,210</u>
Total All Accounts			<u>\$ 2,669,058</u>	<u>\$ (662,401)</u>	<u>\$ 2,006,657</u>

\* Interest Bearing

The credit rating of the investment pool at the New Mexico State Treasurer is as follows:

New MexiGrow LGIP	AAAm rated	<u>\$ 544,210</u>	43-day WAM
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SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2009

		Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Wells Fargo Bank		<u>\$ 2,124,848</u>	<u>\$ 2,124,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 744,805</u>	<u>\$ (744,805)</u>
Collateral	CUSIP #.	FMV	MATURES				
Federal Note CL865810	31409A3T4	<u>\$ 744,805</u>	03/01/36				
		<u>\$ 744,805</u>					

COLLATERAL IS HELD AT WELLS FARGO BANK, MLPS. CALIFORNIA IN THE NAME OF THE DISTRICT

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

BANK RECONCILIATION

JUNE 30, 2009

	OPERATIONAL	TRANSPORTATION	FOOD SERVICES	ATHLETICS
Audited Net Cash				
JUNE 30, 2008	\$ 642,575	\$ 25,589	\$ 59,309	\$ 14,188
Investments on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
JUNE 30, 2008	642,575	25,589	59,309	14,188
Add: Prior year void checks	-	-	-	-
2008-2009 Revenue	8,531,579	529,486	399,070	31,686
Transfers In & Due From	364,143	-	-	-
TOTAL AVAILABLE CASH	9,538,297	555,075	458,379	45,874
Net Change				
2008-2009 Expenditures	8,469,729	520,588	367,334	34,090
Transfers Out & Due To	192,876	-	-	-
	8,662,605	520,588	367,334	34,090
NET CASH, JUNE 30, 2009	875,692	34,487	91,045	11,784
Cash On hand	-	-	-	-
TOTAL CASH, JUNE 30, 2009	\$ 875,692	\$ 34,487	\$ 91,045	\$ 11,784

SCHEDULE 3

FEDERAL PROJECTS	LOCAL/STATE ACCOUNT	SB-9	ED TECH EQUIP ACT	DEBT SERVICE	ACTIVITIES
\$ -	\$ 46,582	\$ 206,908	\$ 330,547	\$ 246,327	\$ 97,590
-	-	-	-	-	-
-	46,582	206,908	330,547	246,327	97,590
-	-	-	-	-	-
775,375	43,838	305,021	-	163,859	187,005
184,816	-	-	-	-	-
960,191	90,420	511,929	330,547	410,186	284,595
580,604	34,577	243,391	26,354	200,939	194,643
344,645	19,499	-	-	-	-
925,249	54,076	243,391	26,354	200,939	194,643
34,942	36,344	268,538	304,193	209,247	89,952
\$ 34,942	\$ 36,344	\$ 268,538	\$ 304,193	\$ 209,247	\$ 89,952

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE 3  
 CONTINUED

BANK RECONCILIATION

JUNE 30, 2009

	INSTRUCTIONAL MATERIALS	PSCO 20%	CAP/OUT STATE	ED TECH DEBT SERVICE
Audited Net Cash				
JUNE 30, 2008	\$ 61,571	\$ 230	\$ -	\$ 152
Investments on hand/Loans	-	-	-	-
TOTAL CASH BALANCE	-	-	-	-
JUNE 30, 2008	61,571	230	-	152
Add: Prior year void checks	-	-	-	-
2008-2009 Revenue	102,808	-	-	261,513
Transfers In & Due From	-	-	-	8,060
TOTAL AVAILABLE CASH	164,379	230	-	269,725
Net Change				
2008-2009 Expenditures	113,946	230	-	269,725
Transfers Out & Due To	-	-	-	-
	113,946	230	-	269,725
NET CASH, JUNE 30, 2009	50,433	-	-	-
Cash On hand				
TOTAL CASH, JUNE 30, 2009	\$ 50,433	\$ -	\$ -	\$ -

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

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education  
Estancia Municipal Schools  
Estancia, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the general fund and major special revenue fund budgetary comparisons, the aggregate remaining fund information of Estancia Municipal Schools District, as of and for the year ended June 30, 2009, which collectively comprise the Estancia Municipal Schools District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 2, 2009. We also have audited the financial statements of each of the non major governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Estancia Municipal Schools District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Estancia Municipal Schools District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Estancia Municipal Schools District's internal control over financial reporting.

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

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

Our consideration of 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 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 described above.

Compliance and Other Matters

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

We noted certain matters that are required to be reported under *Government Auditing Standards* paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2009-1 and 2009-2.

The Estancia Municipal Schools District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Estancia Municipal Schools District's responses and, accordingly, we express no opinion on them.

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

A handwritten signature in blue ink that reads "Roy Woodward & Associates". The signature is written in a cursive style and is centered on the page.

November 2, 2009



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

Mr. Hector H. Balderas, State Auditor  
The Board of Education  
Estancia Municipal Schools  
Estancia, New Mexico

### Compliance

We have audited the compliance of Estancia Municipal Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. Estancia Municipal Schools major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Estancia Municipal Schools management. Our responsibility is to express an opinion on Estancia Municipal Schools compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Estancia Municipal Schools compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Estancia Municipal Schools compliance with those requirements.

In our opinion Estancia Municipal Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs, for the year ended June 30, 2009.

### Internal Control over Compliance

The management of Estancia Municipal Schools is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Estancia Municipal Schools internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Estancia Municipal Schools internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Estancia Municipal Schools internal control.

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

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

November 2, 2009

A handwritten signature in blue ink that reads "Roy Woodward & Associates". The signature is written in a cursive style and is positioned to the right of the date.

SINGLE AUDIT SECTION

STATE OF NEW MEXICO  
 ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	None
Other matters required to be reported	2009-1 and 2009-2
Material weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Programs	National School Lunch Program CFDA 10.555
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified
Findings reportable under 510(a) of Circular A-133	None

II. FINANCIAL STATEMENT FINDINGS

Compliance

None

Control

2009 - 1 Activity Fund Controls

Condition:	Several activity sponsors were collecting fundraising monies from students and not issuing receipts.
Criteria:	District policies and procedures require that all fundraising monies from students are to be turned in to the school secretaries for deposit to the bank.
Cause:	Disregard of District policies and procedures by activity sponsors.
Effect:	Override of controls puts District assets and/or fiduciary funds at risk.
Recommendation:	The District should evaluate procedures and develop controls which either include a process for sponsors to collect funds or controls that cannot be overridden.
Response:	The District will evaluate the policies and procedures and make appropriate changes.

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2009

2009-2 Segregation of Duties

Condition: Although, not considered a significant deficiency in internal control, the business manager has access to all functions of the cash disbursement system.

Criteria: Good internal control would split responsibilities of various accounting functions and causes compliance violations with both the state manual of procedures and in some cases grant requirements.

Cause: With the Visions 2X system it has been more difficult to cut out certain functions in the disbursements procedures than normally would be performed by someone other than the business manager. Also, the size of the entity creates problems with segregation of duties due to limited numbers of qualified personnel.

Effect: When duties are not segregated then controls over cash management are weakened.

Recommendation: Re-evaluate the steps in the cash disbursement function and determine what steps or procedures could be moved to another position to perform or implemented in such a way to strengthen control over cash management.

Response: The District is in the process of evaluating all areas of the accounting system to modify and strengthen controls within the limits of the size, complexity and budget of the District. Also, the District will be upgrading to the Visions Enterprise system which provides built in controls to strengthen the control over disbursements.

III. FEDERAL PROGRAM FINDINGS

None

IV. PRIOR YEAR AUDIT FINDINGS

2006-04	Activity Deposits	Resolved
2008-1	Capital Assets	Resolved
2008-2	Program Verifications WSL Program	Resolved

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PROGRAM EXPENDITURES</u>
<u>US DEPARTMENT OF EDUCATION</u>			
Passed through the State Department of Education			
Title I	84.010	24101	\$ 283,170
Title I Stimulus		24201	13,204
IDEA-B	84.0270	24106, 24109	163,641
Title II E2T2-F	84.318X	24133	2,817
Title II Teacher/Principal Training	84.367A	24154	63,537
TOTAL PASSTHROUGH GRANTS			<u>526,369</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 526,369</u>
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
<1>National School Lunch Program	10.555	21000-8602	\$ 355,347
Forrest Reserve	10.664	11000-8604	25,985
Fresh Fruit & Vegetables	10.582	24118	16,107
			<u>397,439</u>
Passed Through New Mexico State Department of Human Services			
Non-Monetary Assistance	10.565	21000-8904	18,274
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 415,713</u>
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through the State Department of Education			
Title XIX Medicaid	93.7780	25153	\$ 40,254
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 40,254</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 982,336</u>

<1> Major Program

Note 1 This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 Non-Monetary assistance is reported in the schedule at the fair market value of the commodities received.

STATE OF NEW MEXICO  
ESTANCIA MUNICIPAL SCHOOLS

OTHER DISCLOSURES

Year Ended June 30, 2009

OTHER DISCLOSURES

PREPARATION OF FINANCIAL STATEMENTS

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined and approved by management. These services are allowable under SAS 112.

EXIT CONFERENCE

An Exit Conference was held on November 2, 2009. Present were Randol Riley, Vice President, Carolyn Allen-Renteria, Superintendent, Carol Gonzales, Business Manager, Betty Mitchell, Financial Specialist, Patty Gutierrez, HR/PR & Benefits, and D. Brent Woodard, CPA.