

**STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS**

*Audit Report*

For the Year Ended June 30, 2009

**RONNY FOUTS**  
CERTIFIED PUBLIC ACCOUNTANT  
Melrose, New Mexico

STATE OF NEW MEXICO  
Hagerman Municipal Schools

**Official Roster**  
For the year ended June 30, 2009

BOARD OF EDUCATION

Chad Hamill.....President  
James Hollman .....Vice-President  
Trey Lilly .....Secretary  
Glen Dunnahoo .....Member  
Wesley Pilley .....Member

SCHOOL OFFICIALS

Steve Starkey .....Superintendent  
Cheryl Andrews .....Director of Business & Finance

STATE OF NEW MEXICO  
Hagerman Municipal Schools  
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June 30, 2009

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

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

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

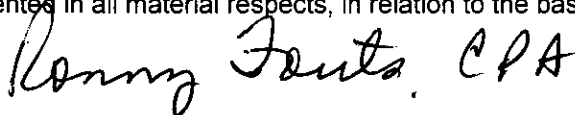
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2009, on our consideration of Hagerman 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.

For the year ended June 30, 2009, Hagerman Municipal Schools has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

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



Ronny Fouts, CPA  
Melrose, New Mexico  
October 9, 2009



## **Basic Financial Statements**

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
STATEMENT OF NET ASSETS

June 30, 2009

<b>ASSETS</b>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 1,485,046
Taxes Receivable	3,574
Due from other Governments	76,436
Inventories	5,169
Non-current Capital Assets - Net	<u>11,193,088</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 12,763,313</b></u>
 <b>LIABILITIES</b>	
Current:	
Accounts Payable	\$ 76,436
Deferred Revenue	95,295
Accrued Interest	8,992
Debt Due Within One Year	<u>165,000</u>
Total Current Liabilities	<u>345,723</u>
Non-current Debt Due in More Than One Year	<u>845,000</u>
Total Non-current Liabilities	<u>845,000</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,190,723</b></u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	10,183,088
Restricted for:	
Debt Service	198,333
Capital Projects	232,671
Unrestricted	<u>958,498</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ 11,572,590</b></u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
STATEMENT OF ACTIVITIES

Year ended June 30, 2009

Functions/Programs	Program Revenues				Net (Expenses) Revenue & Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government: Governmental activities:					
Instruction	\$ 3,028,457	\$ 38,724	\$ 481,236	\$ -	\$ (2,508,497)
Support Services					
Students	382,931	12,918	-	-	(370,013)
Instruction	136,286	-	-	-	(136,286)
General Administration	220,490	-	-	-	(220,490)
School Administration	290,121	-	-	-	(290,121)
Central Services	70,268	-	-	-	(70,268)
Operation & Maintenance of Plant	866,006	-	-	-	(866,006)
Student Transportation	267,776	-	267,776	-	-
Food service	281,478	14,204	222,458	-	(44,816)
Debt Interest Paid	22,687	-	-	-	(22,687)
Unallocated depreciation	14,685	-	-	-	(14,685)
Total Governmental Activities	\$ 5,581,185	\$ 65,846	\$ 971,470	\$ -	(4,543,869)

General Revenues	
Property taxes:	
Levied for general purposes	12,514
Levied for debt service	201,160
Levied for capital projects	55,190
State aid	4,729,960
Unrestricted investment earnings	17,698
Other Local Revenues	120,093
Loss on Capital Assets	(1,247)
Total general revenues	<u>5,135,368</u>
Change in net assets	591,499
Net assets beginning	<u>10,981,091</u>
Net Assets- ending	<u>\$ 11,572,590</u>

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

## **Fund Financial Statements**

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	GENERAL FUND	DEBT SERVICE	BOND BUILDING	SB-9 FUND
<b>ASSETS</b>				
Cash on Deposit	\$ 766,989	\$ 204,643	\$ 232,671	\$ 162,020
Taxes Receivable	155	2,682	-	737
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 767,144</b>	<b>\$ 207,325</b>	<b>\$ 232,671</b>	<b>\$ 162,757</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	207,325	-	-
Unreserved:				
Undesignated, Reported in				
General Fund	767,144	-	-	-
Special Revenue Funds	-	-	-	162,757
Capital Projects Funds	-	-	232,671	-
<b>TOTAL FUND BALANCE</b>	<b>767,144</b>	<b>207,325</b>	<b>232,671</b>	<b>162,757</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 767,144</b>	<b>\$ 207,325</b>	<b>\$ 232,671</b>	<b>\$ 162,757</b>

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

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
--------------------------------	--------------------------------

\$	118,723	\$	1,485,046
	-		3,574
	76,436		76,436
	5,169		5,169
<u>\$</u>	<u>200,328</u>	<u>\$</u>	<u>1,570,225</u>

\$	76,436	\$	76,436
	95,295		95,295
	<u>171,731</u>		<u>171,731</u>

5,169	5,169
-	207,325

-	767,144
23,428	186,185
-	232,671
<u>28,597</u>	<u>1,398,494</u>

<u>\$</u>	<u>200,328</u>	<u>\$</u>	<u>1,570,225</u>
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STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

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 Balance - total governmental funds	\$ 1,398,494
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	11,193,088
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Bonds Payable	(1,010,000)
Accrued Interest	<u>(8,992)</u>
Net assets of governmental activities	<u>\$ 11,572,590</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

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

Year ended June 30, 2009

	GENERAL FUND	DEBT SERVICE	BOND BUILDING	SB-9 FUND
<b>REVENUE</b>				
Federal Aid	\$ 1,248	\$ -	\$ -	\$ -
State Aid	4,247,326	-	-	176,938
Property taxes	12,514	201,160	-	55,190
interest	9,112	758	5,463	1,144
Other local sources	39,724	-	-	-
<b>TOTAL REVENUES</b>	<b>4,309,924</b>	<b>201,918</b>	<b>5,463</b>	<b>233,272</b>
<b>EXPENDITURES</b>				
Current				
Instruction	2,423,181	-	-	-
Support Services				
Students	337,751	-	-	-
Instruction	82,615	-	-	-
General Administration	218,010	1,712	-	-
School Administration	256,622	-	-	-
Central Services	66,115	-	-	-
Operation & Maintenance of Plant	594,590	-	-	-
Transportation of students	267,776	-	-	-
Food Service	48,692	-	-	-
Non-current				
Principal Retirement	-	160,000	-	-
Bond Interest	-	13,694	-	-
Facilities and construction	-	-	483,209	144,121
<b>TOTAL EXPENDITURES</b>	<b>4,295,352</b>	<b>175,406</b>	<b>483,209</b>	<b>144,121</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>14,572</b>	<b>26,512</b>	<b>(477,746)</b>	<b>89,151</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Bonds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>14,572</b>	<b>26,512</b>	<b>(477,746)</b>	<b>89,151</b>
<b>FUND BALANCE - JUNE 30, 2008</b>	<b>752,572</b>	<b>180,813</b>	<b>710,417</b>	<b>73,606</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 767,144</b>	<b>\$ 207,325</b>	<b>\$ 232,671</b>	<b>\$ 162,757</b>

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



OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
--------------------------------	--------------------------------

\$	702,446	\$	703,694
	573,472		4,997,736
	-		268,864
	1,221		17,698
	146,214		185,938
	<u>1,423,353</u>		<u>6,173,930</u>

510,395	2,933,576
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45,180	382,931
37,729	120,344
-	219,722
33,499	290,121
-	66,115
-	594,590
-	267,776
232,786	281,478

-	160,000
-	13,694

<u>572,017</u>	<u>1,199,347</u>
<u>1,431,606</u>	<u>6,529,694</u>

(8,253)	(355,764)
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-	-
-	-

(8,253)	(355,764)
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<u>36,850</u>	<u>1,754,258</u>
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<u>\$</u>	<u>28,597</u>	<u>\$</u>	<u>1,398,494</u>
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STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

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	\$ (355,764)
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.	797,502
Disposal of assets net of depreciation	(1,247)
Long Term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources for governmental funds. Neither transaction, however, has any effect on net assets.	
Increase in accrued interest payable	(8,992)
Principal payment on bonds	160,000
Bond Issue Costs	-
Change in Net Assets	<u>\$ 591,499</u>

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

## Major Funds

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

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>				
Taxes	\$ 11,796	\$ 11,796	\$ 12,628	\$ 832
Charges for Services	-	-	-	-
Interest Income	14,560	14,560	9,112	(5,448)
State Equalization	3,910,549	3,937,283	3,936,707	(576)
State Flow through Grants	325,559	314,817	310,619	(4,198)
Refunds	-	-	1,654	1,654
Contributions	-	-	22,701	22,701
Access Board (e-rate)	21,906	21,906	15,369	(6,537)
Federal revenue	154	154	1,248	1,094
<b>TOTAL REVENUE</b>	<b>4,284,524</b>	<b>4,300,516</b>	<b>\$ 4,310,038</b>	<b>\$ 9,522</b>
<b>BUDGETED CASH BALANCE</b>	<b>602,369</b>	<b>602,369</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 4,886,893</b>	<b>\$ 4,902,885</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 2,841,244	\$ 2,853,266	\$ 2,423,181	\$ 430,085
Support Services				
Students	365,475	365,475	337,751	27,724
Instruction	110,694	110,694	82,615	28,079
General Administration	235,075	235,075	218,010	17,065
School Administration	274,583	274,583	256,622	17,961
Central Services	74,848	74,848	66,115	8,733
Operation & Maintenance of Plant	659,512	663,612	594,590	69,022
Student Transportation	284,771	272,007	267,776	4,231
Other Support Services	1,691	1,691	-	1,691
Food Services	39,000	51,634	48,692	2,942
Facilities Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,886,893</b>	<b>\$ 4,902,885</b>	<b>\$ 4,295,352</b>	<b>\$ 607,533</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

<b>Sources/Inflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 4,310,038
Differences budget to GAAP	
Prior Year receivable	(269)
Change in deferred taxes	-
Current Year receivable	155
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 4,309,924</b>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 4,295,352
Differences-budget to GAAP	
Prior year payable	-
Change in inventory	-
Current year payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 4,295,352</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS  
June 30, 2009

<u>ASSETS</u>	Agency Funds
Pooled Cash and Investments	<u>\$ 132,646</u>
<u>LIABILITIES</u>	
Liabilities:	
Deposits held for others	<u>\$ 132,646</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

I. Summary of Significant Accounting Policies

A. Reporting Entity

Hagerman Municipal School District is a special purpose government corporation governed by an elected five-member Board of Education. The Boards of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Hagerman 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 statement and notes are the representation of Hagerman 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:

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. There are no component units.

The financial statements include all funds that are controlled by, or dependent on, the District and which are included in the District's reports to the Public Education Department.

B. Government-wide and fund financial statements

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year for which they re levied, even if not available. The amount of delinquent property taxes was not available and thus not recorded as revenue in these financial

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

I. Summary of Significant Accounting Policies

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

statements. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and would be recognized as revenues of the fiscal period if this information is available. All other revenue would be considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB 33.

The government reports the following major governmental funds:

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

**Debt Service Fund Debt Service** – 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.

**Bond Building Fund Capital Projects Fund** – This fund accounts for the revenue received from bonds sold by the school to be used for improvements and additions to school owned property.

**SB-9 Capital Improvements** – To account for the receipt of local proceeds from a mill levy on ad valorem/property taxes and state matching funds. These are to be expended for capital outlay projects and maintenance.

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.

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I. Summary of Significant Accounting Policies

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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 for 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.

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 at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

3. Inventories

The food and inventory is 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.



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I. Summary of Significant Accounting Policies

D. Assets, liabilities, and net assets or fund balance (continued)

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life that exceeds a single reporting period. The District is capitalizing qualifying software and library books 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 capitalized as projects are constructed.

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

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

5. Compensated absences

It is the School District's policy not to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave or vacation.

6. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligation 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.

7. Fund Balance

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. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as capital project expenditures.

In the fund financial statement, governmental funds report reservations of fund balance for amounts hat are not available for appropriation or are legally restricted by outside parties for use

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for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

D. Assets, liabilities, and net assets or fund balance (continued)

8. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted sources when an expense is incurred for purposes which both restricted and unrestricted net assets are available.

9. 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.

10. Indirect Costs

The School's 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.

11. Salaries and Wages

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

12. 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.

13. 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

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I. Summary of Significant Accounting Policies

public school fund under the authority of the Director of Public School Finance. The District received \$3,941,692 in state equalization guarantee distributions during the year ended June 30, 2009.

D. Assets, liabilities, and net assets or fund balance (continued)

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 the students in grades K through twelve attending public school within the school district. The District received \$279,870 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 governmental-wide statement of net assets. One element of that reconciliation explains, “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 \$1,010,000 difference are as follows:

Bonds Payable	\$ 1,010,000
Net adjustment to reduce fund balance -- total governmental funds to arrive at net assets -- governmental activities	<u>\$ 1,010,000</u>

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 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 this \$767,502 difference are as follows:

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Capital Outlay	\$ 1,249,933
Depreciation expense	<u>(452,431)</u>

Net adjustment to increase net changes in fund balances --total government funds to arrive at changes in net assets of governmental activities	<u>\$ 797,502</u>
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Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while that repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither

II. Reconciliation of government-wide and fund financial statements (continued)

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 this \$160,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 160,000
Bond Proceeds	<u>-</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 160,000</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 reappropriated 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, e.g., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two days. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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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 general public, is open for the general public unless a closed meeting has been called for.

III. Stewardship, compliance, and accountability (continued)

- 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.

B. Deficit fund equity

There were not any deficit fund balances at 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 \$812,287 and the bank balance was \$931,706. Of this balance \$931,706 was covered by the federal depository insurance and \$0 was covered by collateral held in joint safekeeping by a third party.

NM State Statues 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 on half of the amount on deposit with the institution.

The collateral pledged is identified in the Supplementary Information 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 coverage for public unit demand deposits at the same institution.

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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 is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, 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 funds amounts were invested. Participation in the local government investment pool is voluntary.

IV. Detailed notes on all funds (continued)

*Interest Rate Risk.* The District does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments in commercial paper, corporate bonds and mutual fund bonds to the top two ratings issued nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. At June 30, 2009, the District's investment in the state investment pool was rated AAAM by Standard & Poor's.

New MexiGROW LGIP	AAAM Rated	\$805,405	43-day WAM
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B. Custodial Credit Risk – Deposits

Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009, the government's bank balance was 0.00% collateralized. As of June 30, 2009 \$0 of the government's deposits totaling \$931,706 was exposed to custodial credit risk.

Total Deposits	\$	931,706
Less: FDIC Insurance		<u>(931,706)</u>
Uninsured Funds		-
Pledged Collateral held by pledging Bank's agent in the District's name		<u>429,000</u>
Over collateralized	\$	<u>(429,000)</u>

C. Receivables

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

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	<u>Due From Other Governments</u>
Other Governmental Funds	76,436
Total Amounts Receivable	<u>\$ 76,436</u>

Interfund Receivables

The District had no Interfund Receivables/Payables at June 30, 2009.

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:

IV. Detailed notes on all funds (continued)

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	<u>\$ 95,295</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 95,295</u>

D. Capital Assets

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

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	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 53,149	\$ -	\$ -	\$ 53,149
Capital assets, being depreciated:				
Buildings and improvements	13,188,385	1,113,601	-	14,301,986
Equipment	2,097,742	136,332	2,852	2,231,222
Total capital assets, being depreciated	15,286,127	1,249,933	2,852	16,533,208
Less accumulated depreciation for:				
Buildings & Improvements	3,723,816	322,002	-	4,045,818
Equipment	1,218,627	130,429	1,605	1,347,451
Total accumulated depreciation	4,942,443	452,431	1,605	5,393,269
 Total capital assets, being Depreciated, net	 10,343,684	 797,502	 1,247	 11,139,939
Governmental activities Capital assets, net	\$ 10,396,833	\$ 797,502	\$ 1,247	\$ 11,193,088

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

E. Long-Term debt

IV. Detailed notes on all funds (continued)

Series	Original Amount	Interest Rate	Balance June 30, 2008	Retirements	Balance June 30, 2009	Amount Due in One Year
1997	\$ 865,000	4.65 to 6.5	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000
1999	150,000	5.05 to 7.05	50,000	25,000	25,000	25,000
2003	400,000	.715 to 1.95	310,000	35,000	275,000	40,000
2005	400,000	1.52 to 2.03	310,000	50,000	260,000	30,000
2005	400,000	1.52 to 2.03	400,000	-	400,000	20,000
Total	\$ 1,500,000		\$ 1,170,000	\$ 160,000	\$ 1,010,000	\$ 165,000



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Fiscal Year	Principal	Interest	Total
2010	\$ 165,000	\$ 19,187	\$ 184,187
2011	180,000	14,871	194,871
2012	150,000	11,804	161,804
2013	130,000	9,140	139,140
2014	130,000	6,605	136,605
2015-2019	255,000	11,297	266,297
	<u>\$ 1,010,000</u>	<u>\$ 72,904</u>	<u>\$ 1,082,904</u>

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within 1 Year
Governmental Activities:					
General Obligation Debt	<u>\$ 1,170,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ 1,010,000</u>	<u>\$ 165,000</u>
Total	<u>\$ 1,170,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ 1,010,000</u>	<u>\$ 165,000</u>

#### Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable-property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$1,527,030 including \$1,010,000 debt outstanding based on the 2009 valuation.

#### 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; error 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

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insurance coverage. The agreement for formation for NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes 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.

C. Employee retirement plan

Plan Description – Substantially all of Hagerman 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 (ERA) is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502-6129.

Funding Policy – Plan members are required to contribute 7.9% of their gross salary. Hagerman Municipal School District is required to contribute 11.65% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Hagerman Municipal School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Hagerman Municipal School District's contributions to the ERA for the years ended June 2009, 2008, and 2007 were \$330,642, \$308,713 and \$278,441 respectively, equal to the amount of the required contribution for the year.

V. Other information

D. Post-retirement health care benefits

*Plan Description* - Hagerman Municipal School 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

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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 Retiree Health Care Act on the person's behalf, unless that person retired on or before July 1, 1995, in which event the time period for contributions becomes the time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

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

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 member are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Hagerman Municipal School's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$36,896, \$36,765 and \$35,662, respectively, which equal the required contributions for each year.

## **SUPPLEMENTAL INFORMATION**

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STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - DEBT SERVICE FUND - 41000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Taxes	\$ 207,398	\$ 207,398	\$ 202,835	\$ (4,563)
Investment Income	1,550	1,550	758	(792)
<b>TOTAL REVENUE</b>	<b>208,948</b>	<b>208,948</b>	<b>\$ 203,593</b>	<b>\$ (5,355)</b>
BUDGETED CASH BALANCE	184,986	184,986		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 393,934</b>	<b>\$ 393,934</b>		
<b>EXPENDITURES</b>				
Current				
General Administration	\$ 1,867	\$ 1,867	\$ 1,712	\$ 155
Debt Service				
Principal Retirement	160,000	160,000	160,000	-
Bond Interest	26,677	26,677	26,677	-
Non-operating Reserves	205,390	205,390	-	205,390
<b>TOTAL EXPENDITURES</b>	<b>\$ 393,934</b>	<b>\$ 393,934</b>	<b>\$ 188,389</b>	<b>\$ 205,545</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 203,593
Differences budget to GAAP	
Prior Year receivable	(4,357)
Change in deferred taxes	-
Current Year receivable	2,682
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 201,918</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 188,389
Differences-budget to GAAP	
Prior year Interest Payable	(12,983)
Current Year Interest Payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 175,406</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - CAPITAL PROJECTS - BOND BUILDING FUND - 31100

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Sale of Bonds	\$ -	\$ -	\$ -	\$ -
Investment Income	5,285	5,285	5,463	178
<b>TOTAL REVENUE</b>	<u>5,285</u>	<u>5,285</u>	<u>\$ 5,463</u>	<u>\$ 178</u>
BUDGETED CASH BALANCE	<u>762,315</u>	<u>762,315</u>		
TOTAL REVENUE & CASH	<u>\$ 767,600</u>	<u>\$ 767,600</u>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 767,600	\$ 767,600	\$ 483,209	\$ 284,391
<b>TOTAL EXPENDITURES</b>	<u>\$ 767,600</u>	<u>\$ 767,600</u>	<u>\$ 483,209</u>	<u>\$ 284,391</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 5,463
Differences budget to GAAP		
Current Year receivable		-
Total Revenues (GAAP Basis)		<u>\$ 5,463</u>
 <b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 483,209
Differences-budget to GAAP		
Prior year accounts payable		-
Total Expenditures (GAAP Basis)		<u>\$ 483,209</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET - GENERAL FUNDS

June 30, 2009

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
<b>ASSETS</b>				
Cash on Deposit	\$ 753,955	\$ -	\$ 13,034	\$ 766,989
Taxes Receivable	155	-	-	155
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 754,110</b>	<b>\$ -</b>	<b>\$ 13,034</b>	<b>\$ 767,144</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service				
Unreserved:				
Designated, Reported in				
General Fund	754,110	-	13,034	767,144
Special Revenue Funds				
Capital Projects Funds	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>754,110</b>	<b>-</b>	<b>13,034</b>	<b>767,144</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 754,110</b>	<b>\$ -</b>	<b>\$ 13,034</b>	<b>\$ 767,144</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

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

Year ended June 30, 2009

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
<b>REVENUE</b>				
Federal Aid	\$ 1,248	\$ -	\$ -	\$ 1,248
State Aid	3,936,707	267,776	42,843	4,247,326
Property taxes	12,514	-	-	12,514
Interest	9,112	-	-	9,112
Other local sources	39,724	-	-	39,724
<b>TOTAL REVENUES</b>	<b>3,999,305</b>	<b>267,776</b>	<b>42,843</b>	<b>4,309,924</b>
<b>EXPENDITURES</b>				
Current				
Instruction	2,377,717	-	45,464	2,423,181
Support Services				
Students	337,751	-	-	337,751
Instruction	79,987	-	2,628	82,615
General Administration	218,010	-	-	218,010
School Administration	256,622	-	-	256,622
Central Services	66,115	-	-	66,115
Operation & Maintenance of Plant	594,590	-	-	594,590
Transportation of students	-	267,776	-	267,776
Food Service	48,692	-	-	48,692
Non-current				
Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Facilities and construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,979,484</b>	<b>267,776</b>	<b>48,092</b>	<b>4,295,352</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>19,821</b>	<b>-</b>	<b>(5,249)</b>	<b>14,572</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Bonds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>19,821</b>	<b>-</b>	<b>(5,249)</b>	<b>14,572</b>
<b>FUND BALANCE - JUNE 30, 2008</b>	<b>734,289</b>	<b>-</b>	<b>18,283</b>	<b>752,572</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 754,110</b>	<b>\$ -</b>	<b>\$ 13,034</b>	<b>\$ 767,144</b>

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



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - OPERATIONAL - 11000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 154	\$ 154	\$ 1,248	\$ 1,094
State Revenue	3,910,549	3,937,284	3,936,707	(577)
Property Taxes	11,796	11,796	12,628	
Local Revenue	21,906	21,906	39,724	17,818
Income from Investments	14,560	14,560	9,112	(5,448)
<b>TOTAL REVENUE</b>	<b>3,958,965</b>	<b>3,985,700</b>	<b>\$ 3,999,419</b>	<b>\$ 12,887</b>

BUDGETED CASH BALANCE 587,317 587,317

TOTAL REVENUE & CASH \$ 4,546,282 \$ 4,573,017

**EXPENDITURES**

Current

Instruction	\$ 2,785,405	\$ 2,795,405	\$ 2,375,089	\$ 420,316
Support Services				
Students	365,475	365,475	337,751	27,724
Instruction	110,694	110,694	82,615	28,079
General Administration	235,075	235,075	218,010	17,065
School Administration	274,583	274,583	256,622	17,961
Central Services	74,848	74,848	66,115	8,733
Operation & Maintenance of Plant	659,512	663,612	594,590	69,022
Other Support Services	1,690	1,691	-	1,691
Food Services	39,000	51,634	48,692	2,942
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,546,282</b>	<b>\$ 4,573,017</b>	<b>\$ 3,979,484</b>	<b>\$ 593,533</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 3,999,419
Differences budget to GAAP	
Prior Year receivable	(269)
Change in deferred taxes	-
Current Year receivable	155
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 3,999,305</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 3,979,484
Differences-budget to GAAP	
Change in inventory	-
Prior year warrants voided	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 3,979,484</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - TRANSPORTATION - 13000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 284,771	\$ 272,007	\$ 267,776	\$ (4,231)
<b>TOTAL REVENUE</b>	<u>284,771</u>	<u>272,007</u>	<u>\$ 267,776</u>	<u>\$ (4,231)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 284,771</u>	<u>\$ 272,007</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Student Transportation	\$ 284,771	\$ 272,007	\$ 267,776	\$ 4,231
<b>TOTAL EXPENDITURES</b>	<u>\$ 284,771</u>	<u>\$ 272,007</u>	<u>\$ 267,776</u>	<u>\$ 4,231</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 267,776
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 267,776</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 267,776
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 267,776</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - GENERAL FUND - INSTRUCTIONAL MATERIALS - 14000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 40,788	\$ 42,810	\$ 42,843	\$ 33
<b>TOTAL REVENUE</b>	<u>40,788</u>	<u>42,810</u>	<u>42,843</u>	<u>33</u>
BUDGETED CASH BALANCE	<u>15,052</u>	<u>15,052</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 55,840</u>	<u>\$ 57,862</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 53,409	\$ 55,234	\$ 45,464	\$ 9,770
Support Services				
Instruction	2,431	2,628	2,628	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 55,840</u>	<u>\$ 57,862</u>	<u>\$ 48,092</u>	<u>\$ 9,770</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 42,843
Differences budget to GAAP	-
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 42,843</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 48,092
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 48,092</u>

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

## **The FUND DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS**

FOOD SERVICES – to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – this is an auxiliary account to account for budgeted athletics of the school for activities that are considered to be non-instructional. Authority for the creation of this fund is NMAC 6.20.2.

TITLE I– to account for the federal assistance provided to the District for the improvement of educational opportunities to deprived children. (Authority, PL 103-382)

MIGRANT CHILDREN EDUCATION – to assist States to ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title I, Part C, as amended, 20 U.S.C. 6391 et seq.

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.

IDEA B DISCRETIONARY - 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.

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.

TITLE V – to increase the capacity of state and local governments to support the development of more effective prevention programs to improve juvenile justice system through risk and protective factor focused programming approach. The authority for the creation of this fund is the Juvenile Justice and Delinquency Prevention Act of 1974, Section 505, Title V, as amended.

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 on schools and hold local educational agencies and schools accountable for improvements in student academic achievement. The authority for

FUND DESCRIPTIONS (continued)

SPECIAL REVENUE FUNDS (continued)

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

TITLE I STIMULUS – To account for funds from Federal Stimulus Funds for the improvement of educational opportunities to deprived children. (Authority Federal Stimulus Program)

TITLE XIX MEDICAID – to account for federal resources administered by the New Mexico Department of Health and Human services for the improvement of primary health care and to increase health education. (PL 105-33)

RURAL EDUCATION ACHIEVEMENT PROGRAM – to provide financial assistance to rural districts to carry out activities to help improve that quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 (ESEA), Title IV, Part B, as amended.

RURAL VISION – to account for revenue received from the sale of telecommunication time sold to cable networks. The New Mexico Public Education Department requires this revenue to be accounted for in a separate Fund. Authorized by the district's local school board.

MICROSOFT SETTLEMENT FUND – to account for funds received to improve education in the public schools for underprivileged children.

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 Statues and the schools approved long-term technology plan Authority for the creation of this fund is NMSA22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT – to account for funds received from the Incentives for School Improvement Act (Section 22-2C-9, NMSA 1978) that is to provide financial incentive to individual schools that exceed expected academic progress.

BEGINNING TEACHER MENTORING PROGRAM - to account for revenues received to enhance and improve skills for beginning teachers. (Authority, State Grant Provision and Hatch Valley Board of Education)

LIBRARY GO BONDS – Funds acquired from the state to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide.

STATE DIRECTED ACTIVITIES – The purpose of this fund is used to account for a program funded by a state grant to assist the School District in providing free appropriate public education to all handicapped children. Funding authorized by the individuals with Disabilities Education Act. The fund was created by the authority of federal grant provisions.

2008 LIBRARY BOOK FUND – this fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide.

CATCH – to account for revenues received to coordinate child health improvements. The authority for creation of this fund is the State Grant Provisions and Hagerman Board of Education

CITY COUNTY GRANTS – to provide recreation and entertainment activities to the youth of Hagerman in an effort to deter drinking and other improper behavior. The authority for the creation of this fund is Agreement A-04-76 between Chavez County and Hagerman Schools.

#### CAPITAL PROJECT FUNDS

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.

PUBLIC SCHOOL CAPITAL OUTLAY 20% - to account for monies to be set aside out of Impact Aid, Forest Revenue, and local taxes for capital improvements in public schools. The authority for the creation of this fund is Section 22-8-5 NMSA 1978.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>ASSETS</b>			
Cash on Deposit	\$ 118,723	\$ -	\$ 118,723
Taxes receivable	-	-	-
Due from other Governments	76,436	-	76,436
Inventories	5,169	-	5,169
<b>TOTAL ASSETS</b>	<b>\$ 200,328</b>	<b>\$ -</b>	<b>\$ 200,328</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 76,436	\$ -	\$ 76,436
Internal balances	-	-	-
Deferred Revenue	95,295	-	95,295
<b>TOTAL LIABILITIES</b>	<b>171,731</b>	<b>-</b>	<b>171,731</b>
<b>FUND BALANCE</b>			
Fund Balance			
Reserved:			
Reserved for inventory	5,169	-	5,169
Unreserved:			
Designated for subsequent year expenditures	23,428	-	23,428
<b>TOTAL FUND BALANCE</b>	<b>28,597</b>	<b>-</b>	<b>28,597</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 200,328</b>	<b>\$ -</b>	<b>\$ 200,328</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>REVENUES</b>			
Federal Aid	\$ 702,446	\$ -	\$ 702,446
State Aid	101,472	472,000	573,472
Property taxes	-	-	-
Local revenues	146,214	-	146,214
Interest	1,220	1	1,221
<b>TOTAL REVENUES</b>	<b>951,352</b>	<b>472,001</b>	<b>1,423,353</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	510,395	-	510,395
Support Services			
Students	45,180	-	45,180
Instruction	37,729	-	37,729
General Administration	-	-	-
School Administration	33,499	-	33,499
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Food Service	232,786	-	232,786
Facilities and construction	89,866	482,151	572,017
<b>TOTAL EXPENDITURES</b>	<b>949,455</b>	<b>482,151</b>	<b>1,431,606</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,897</b>	<b>(10,150)</b>	<b>(8,253)</b>
<b>FUND BALANCE- JUNE 30, 2008</b>	<b>26,700</b>	<b>10,150</b>	<b>36,850</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 28,597</b>	<b>\$ -</b>	<b>\$ 28,597</b>

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



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	TITLE I MIGRANT 24103	IDEA-B ENTITLEMENT 24106
<b>ASSETS</b>					
Cash on Deposit	\$ 11,279	\$ 12,149	\$ -	\$ -	\$ -
Taxes Receivable					
Due from other Governments	-	-	42,174	4,087	628
Inventories	5,169	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 16,448</b>	<b>\$ 12,149</b>	<b>\$ 42,174</b>	<b>\$ 4,087</b>	<b>\$ 628</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 42,174	\$ 4,087	\$ 628
Internal balances	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>42,174</b>	<b>4,087</b>	<b>628</b>
<b>FUND BALANCE</b>					
Fund Balance					
Reserved:					
Reserved for inventory	5,169	-	-	-	-
Unreserved:					
Designated for subsequent year expenditures	11,279	12,149	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>16,448</b>	<b>12,149</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 16,448</b>	<b>\$ 12,149</b>	<b>\$ 42,174</b>	<b>\$ 4,087</b>	<b>\$ 628</b>

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

IDEA-B DISCRETIONARY 24107	IDEA-B PRESCHOOL 24109	TITLE V 24150	TEACHER PRINCIPAL TRAINING 24154	SAFE & DRUG FREE SCHOOLS 24157	TITLE I FEDERAL STIMULUS 24201	PRESCHOOL FEDERAL STIMULUS 24209	TITLE XIX MEDICAID 25153
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,527
2,905	364	-	434	10	16,585	282	-
\$ 2,905	\$ 364	\$ -	\$ 434	\$ 10	\$ 16,585	\$ 282	\$ 55,527
\$ 2,905	\$ 364	\$ -	\$ 434	\$ 10	\$ 16,585	\$ 282	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	55,527
2,905	364	-	434	10	16,585	282	55,527
\$ 2,905	\$ 364	\$ -	\$ 434	\$ 10	\$ 16,585	\$ 282	\$ 55,527

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	RURAL VISION 26127	MICROSOFT TECHNOLOGY SETTLEMENT FUNDS 26170	FOR EDUCATION 27117	INCENTIVES FOR SCHOOL IMPROVEMENT 27138
<b>ASSETS</b>				
Cash on Deposit	\$ 3,077	\$ 13,024	\$ 4,618	\$ 3,311
Taxes Receivable				
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,077</b>	<b>\$ 13,024</b>	<b>\$ 4,618</b>	<b>\$ 3,311</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Internal balances	-	-	-	-
Deferred Revenue	3,077	13,024	4,618	3,311
<b>TOTAL LIABILITIES</b>	<b>3,077</b>	<b>13,024</b>	<b>4,618</b>	<b>3,311</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Unreserved:				
Designated for subsequent year expenditures	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 3,077</b>	<b>\$ 13,024</b>	<b>\$ 4,618</b>	<b>\$ 3,311</b>

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

TEACHER MENTORING PROGRAM 27154	LIBRARY GO BONDS 27170	2008 LIBRARY BOOK FUND 27549	CITY COUNTY GRANTS 29107	COMBINED
\$ 6,089	\$ -	\$ 1,316	\$ 8,333	\$ 118,723
-	8,967	-	-	76,436
-	-	-	-	5,169
<u>\$ 6,089</u>	<u>\$ 8,967</u>	<u>\$ 1,316</u>	<u>\$ 8,333</u>	<u>\$ 200,328</u>

\$ -	\$ 8,967	\$ -	\$ -	\$ 76,436
-	-	-	-	-
6,089	-	1,316	8,333	95,295
<u>6,089</u>	<u>8,967</u>	<u>1,316</u>	<u>8,333</u>	<u>171,731</u>

-	-	-	-	5,169
-	-	-	-	23,428
-	-	-	-	28,597

<u>\$ 6,089</u>	<u>\$ 8,967</u>	<u>\$ 1,316</u>	<u>\$ 8,333</u>	<u>\$ 200,328</u>
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STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2009

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	MIGRANT 24103
<b>REVENUES</b>				
Federal Aid	\$ 222,458	\$ -	\$ 238,185	\$ 24,000
State Aid	-	-	-	-
Property taxes				
Local revenues	14,204	12,918	-	-
Interest	19	124	-	-
<b>TOTAL REVENUES</b>	<b>236,681</b>	<b>13,042</b>	<b>238,185</b>	<b>24,000</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	15,040	217,156	24,000
Support Services				
Students	-	-	-	-
Instruction	-	-	18,631	-
General Administration	-	-	-	-
School Administration	-	-	2,398	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Service	232,786	-	-	-
Facilities Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>232,786</b>	<b>15,040</b>	<b>238,185</b>	<b>24,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,895</b>	<b>(1,998)</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE- JUNE 30, 2008</b>	<b>12,553</b>	<b>14,147</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ 16,448</b>	<b>\$ 12,149</b>	<b>\$ -</b>	<b>\$ -</b>

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

IDEA-B ENTITLEMENT 24106	IDEA-B DISCRETIONARY 24107	IDEA -B PRESCHOOL 24109	TITLE V 24150	TEACHER PRINCIPAL TRAINING 24154	SAFE & DRUG FREE SCHOOLS 24157
\$ 101,613	\$ 2,905	\$ 5,789	\$ -	\$ 37,035	\$ 3,314
-	-	-	-	-	-
-	-	-	-	-	-
101,613	2,905	5,789	-	37,035	3,314
67,436	-	5,789	-	37,035	3,314
3,076	2,905	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,101	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
101,613	2,905	5,789	-	37,035	3,314
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2009

	TITLE I STIMULUS 24201	PRESCHOOL STIMULUS 24209	TITLE XIX MEDICAID 25153	RURAL EDUCATION ACHIEVEMENT 25233	RURAL VISION 26127	MICROSOFT SETTLEMENT FUND 26170
<b>REVENUES</b>						
Federal Aid	\$ 16,585	\$ 282	\$ 39,199	\$ 11,081	\$ -	\$ -
State Aid	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Local revenues	-	-	-	-	88,789	20,908
Interest	-	-	-	-	1,077	-
<b>TOTAL REVENUES</b>	<b>16,585</b>	<b>282</b>	<b>39,199</b>	<b>11,081</b>	<b>89,866</b>	<b>20,908</b>
<b>EXPENDITURES</b>						
Current						
Instruction	16,585	282	-	11,081	-	20,908
Support Services						
Students	-	-	39,199	-	-	-
Instruction	-	-	-	-	-	-
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	89,866	-
<b>TOTAL EXPENDITURES</b>	<b>16,585</b>	<b>282</b>	<b>39,199</b>	<b>11,081</b>	<b>89,866</b>	<b>20,908</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

TECHNOLOGY FOR EDUCATION 27117	INCENTIVES FOR SCHOOL IMPROVEMENT 27138	BEGINNING TEACHER MENTORING 27154	LIBRARY GO BONDS 27170	STATE DIRECTED ACTIVITIES 27200	2008 LIBRARY BOOK FUND 27549	CATCH 28140	CITY COUNTY GRANTS 29107	COMBINED
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,446
11,028	16,119	-	8,070	65,426	-	829	-	101,472
-	-	-	-	-	-	-	9,395	146,214
-	-	-	-	-	-	-	-	1,220
11,028	16,119	-	8,070	65,426	-	829	9,395	951,352
-	16,119	-	-	65,426	-	829	9,395	510,395
-	-	-	-	-	-	-	-	45,180
11,028	-	-	8,070	-	-	-	-	37,729
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	33,499
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	232,786
-	-	-	-	-	-	-	-	89,866
11,028	16,119	-	8,070	65,426	-	829	9,395	949,455
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,897
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	26,700
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,597



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - FOOD SERVICE - 21000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 204,454	\$ 204,454	\$ 207,378	\$ 2,924
State Aid	-	-	-	-
Local Revenue	17,284	17,284	14,204	(3,080)
Income from Investments	-	-	19	19
TOTAL REVENUE	<u>221,738</u>	<u>221,738</u>	<u>\$ 221,601</u>	<u>\$ (137)</u>
 BUDGETED CASH BALANCE	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 221,738</u>	<u>\$ 221,738</u>		
 EXPENDITURES				
Current				
Food Service	221,738	221,738	220,750	988
TOTAL EXPENDITURES	<u>\$ 221,738</u>	<u>\$ 221,738</u>	<u>\$ 220,750</u>	<u>\$ 988</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 221,601
Differences budget to GAAP	-
Prior Year receivable	-
Commodities received	15,080
Total Revenues (GAAP Basis)	<u>\$ 236,681</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 220,750
Differences-budget to GAAP	-
Commodities used	15,080
Prior year accounts payable	-
Change in Inventories	(3,044)
Total Expenditures (GAAP Basis)	<u>\$ 232,786</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - ATHLETICS -22000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Fees from activities	\$ 16,634	\$ 16,634	\$ 12,918	\$ (3,716)
Investment income	164	164	124	(40)
<b>TOTAL REVENUE</b>	<b>16,798</b>	<b>16,798</b>	<b>\$ 13,042</b>	<b>\$ (3,756)</b>
<b>BUDGETED CASH BALANCE</b>	<b>13,241</b>	<b>13,241</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 30,039</b>	<b>\$ 30,039</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 30,039	\$ 30,039	\$ 15,040	\$ 14,999
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,039</b>	<b>\$ 30,039</b>	<b>\$ 15,040</b>	<b>\$ 14,999</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 13,042
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 13,042</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 15,040
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 15,040</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE I - 24101

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 287,341	\$ 292,491	\$ 244,684	\$ (47,807)
TOTAL REVENUE	287,341	292,491	244,684	(47,807)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 287,341	\$ 292,491		
EXPENDITURES				
Current				
Instruction	\$ 266,229	\$ 271,379	\$ 217,156	\$ 54,223
Support Services				
Instruction	18,694	18,694	18,631	63
School Administration	2,418	2,418	2,398	20
TOTAL EXPENDITURES	\$ 287,341	\$ 292,491	\$ 238,185	\$ 54,306

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 244,684
Differences budget to GAAP	
Prior Year Receivable	(48,673)
Current Year Receivable	42,174
Total Revenues (GAAP Basis)	\$ 238,185

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 238,185
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 238,185

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - MIGRANT CHILDREN EDUCATION - 24103

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 109,000	\$ 109,000	\$ 27,078	\$ (81,922)
TOTAL REVENUE	109,000	109,000	<u>27,078</u>	<u>(81,922)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 109,000</u>	<u>\$ 109,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Support Services				
Students	85,000	85,000	-	85,000
TOTAL EXPENDITURES	<u>\$ 109,000</u>	<u>\$ 109,000</u>	<u>\$ 24,000</u>	<u>\$ 85,000</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 27,078
Differences budget to GAAP	
Prior Year receivable	(7,165)
Current Year receivable	4,087
Total Revenues (GAAP Basis)	<u>\$ 24,000</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 24,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 24,000</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -IDEA B ENTITLEMENT - 24106

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 107,687	\$ 131,440	\$ 102,657	\$ (28,783)
<b>TOTAL REVENUE</b>	<u>107,687</u>	<u>131,440</u>	<u>\$ 102,657</u>	<u>\$ (28,783)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 107,687</u>	<u>\$ 131,440</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 70,475	\$ 75,422	\$ 67,436	\$ 7,986
Support Services - Students	3,900	22,706	3,076	19,630
Support Services - Sch Administration	33,312	33,312	31,101	2,211
<b>TOTAL EXPENDITURES</b>	<u>\$ 107,687</u>	<u>\$ 131,440</u>	<u>\$ 101,613</u>	<u>\$ 29,827</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 102,657
Differences budget to GAAP	
Prior Year Receivable	(1,672)
Current Year Receivable	628
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 101,613</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 101,613
Differences-budget to GAAP	
Prior Year Prepaid Expense	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 101,613</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -IDEA B DISCRETIONARY - 24107

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 4,323	\$ 25,985	\$ 21,662
TOTAL REVENUE	-	4,323	25,985	21,662
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 4,323		
EXPENDITURES				
Current				
Support Services				
Students	\$ -	\$ 4,323	\$ 2,905	\$ 1,418
TOTAL EXPENDITURES	\$ -	\$ 4,323	\$ 2,905	\$ 1,418

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 25,985
Differences budget to GAAP		
Prior Year Receivable		(25,985)
Current Year Receivable		2,905
Total Revenues (GAAP Basis)		<u>\$ 2,905</u>
 <b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 2,905
Differences-budget to GAAP		
		-
Total Expenditures (GAAP Basis)		<u>\$ 2,905</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -IDEA B PRESCHOOL - 24109

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 5,846	\$ 6,936	\$ 5,191	\$ (1,745)
TOTAL REVENUE	5,846	6,936	5,191	(1,745)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 5,846	\$ 6,936		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 5,846	\$ 5,907	\$ 5,789	\$ 118
Support Services				
Students	-	1,029	-	1,029
TOTAL EXPENDITURES	\$ 5,846	\$ 6,936	\$ 5,789	\$ 1,147

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 5,191
Differences budget to GAAP	
Prior Year Deferral	234
Current Year Receivable	364
Total Revenues (GAAP Basis)	\$ 5,789

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 5,789
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 5,789

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE V - INNOV ED PROGRAM - 24150

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ 842	\$ 842
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 842</u>	<u>\$ 842</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 842
Differences budget to GAAP	
Prior Year Receivable	(842)
Current Year Receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ -</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ -</u>

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



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TEACHER PRINCIPAL TRAINING - 24154

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 38,552	\$ 38,448	\$ 44,970	\$ 6,522
TOTAL REVENUE	<u>38,552</u>	<u>38,448</u>	<u>\$ 44,970</u>	<u>\$ 6,522</u>
 BUDGETED CASH BALANCE	 -	 -		
TOTAL REVENUE & CASH	<u>\$ 38,552</u>	<u>\$ 38,448</u>		
 EXPENDITURES				
Current				
Instruction	\$ 38,552	\$ 38,448	\$ 37,035	\$ 1,413
TOTAL EXPENDITURES	<u>\$ 38,552</u>	<u>\$ 38,448</u>	<u>\$ 37,035</u>	<u>\$ 1,413</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 44,970
Differences budget to GAAP	
Prior Year Receivable	(8,369)
Current Year Receivable	434
Total Revenues (GAAP Basis)	<u>\$ 37,035</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 37,035
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	<u>\$ 37,035</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -SAFE & DRUG FREE SCHOOLS - 24157

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 3,373	\$ 3,373	\$ 4,675	\$ 1,302
TOTAL REVENUE	3,373	3,373	<u>4,675</u>	<u>1,302</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 3,373</u>	<u>\$ 3,373</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,373	\$ 3,373	\$ 3,314	\$ 59
TOTAL EXPENDITURES	<u>\$ 3,373</u>	<u>\$ 3,373</u>	<u>\$ 3,314</u>	<u>\$ 59</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 4,675
Differences budget to GAAP	
Prior Year Receivable	(1,371)
Current Year Receivable	10
Total Revenues (GAAP Basis)	<u>\$ 3,314</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 3,314
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 3,314</u>

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

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STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE I - FEDERAL STIMULUS - 24201

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 82,602	\$ -	\$ (82,602)
TOTAL REVENUE	<u>-</u>	<u>82,602</u>	<u>\$ -</u>	<u>\$ (82,602)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ -</u>	 <u>\$ 82,602</u>		
 EXPENDITURES				
Current				
Instruction	\$ -	\$ 82,602	\$ 16,585	\$ 66,017
Support Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 82,602</u>	<u>\$ 16,585</u>	<u>\$ 66,017</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Receivable	16,585
Total Revenues (GAAP Basis)	<u>\$ 16,585</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 16,585
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 16,585</u>

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

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STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND -IDEA B PRESCHOOL - FEDERAL STIMULUS - 24209

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 2,452	\$ -	\$ (2,452)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>2,452</u>	<u>\$ -</u>	<u>\$ (2,452)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 2,452</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 2,452	\$ 282	\$ 2,170
Support Services				
Students	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 2,452</u>	<u>\$ 282</u>	<u>\$ 2,170</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	-
Prior Year Receivable	282
Current Year Receivable	<u>282</u>
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 282</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 282
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 282</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TITLE XIX MEDICAID 3/21 - 25153

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 91,133	\$ 63,657	\$ (27,476)
TOTAL REVENUE	-	91,133	<u>63,657</u>	<u>(27,476)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 91,133</u>		
<b>EXPENDITURES</b>				
Current				
Supprt Services - Students	\$ -	\$ 91,133	\$ 39,199	\$ 51,934
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 91,133</u>	<u>\$ 39,199</u>	<u>\$ 51,934</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 63,657
Differences budget to GAAP	
Prior Year Deferral	31,069
Current Year Deferral	(55,527)
Total Revenues (GAAP Basis)	<u>\$ 39,199</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 39,199
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 39,199</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - RURAL EDUCATION ACHIEVEMENT - 25233

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 11,081	\$ 11,081	\$ -
<b>TOTAL REVENUE</b>	<u>-</u>	<u>11,081</u>	<u>\$ 11,081</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 11,081</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 11,081	\$ 11,081	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 11,081</u>	<u>\$ 11,081</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 11,081
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Deferral	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 11,081</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 11,081
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 11,081</u>

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



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - RURAL VISION - 26127

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Interest Income	\$ -	\$ -	\$ 1,077	\$ 1,077
Other Local Revenue	-	-	2,000	2,000
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>\$ 3,077</b>	<b>\$ 3,077</b>
BUDGETED CASH BALANCE	-	89,866		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 89,866</b>		
<b>EXPENDITURES</b>				
Current				
Acquisition Of Facilities	\$ -	\$ 89,866	\$ 89,866	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 89,866</b>	<b>\$ 89,866</b>	<b>\$ -</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of Resources**

Actual amounts (budgetary basis)	\$ 3,077
Differences budget to GAAP	
Prior Year Deferral	89,866
Current Year Deferral	(3,077)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 89,866</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 89,866
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 89,866</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - MICROSOFT SETTLEMENT FUNDS - 26170

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ -	\$ 33,392	\$ 33,932	\$ 540
TOTAL REVENUE	-	33,392	33,932	540
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 33,392		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 33,392	\$ 20,908	\$ 12,484
TOTAL EXPENDITURES	\$ -	\$ 33,392	\$ 20,908	\$ 12,484

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 33,932
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Deferral	(13,024)
Total Revenues (GAAP Basis)	\$ 20,908

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 20,908
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 20,908

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION - 27117

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ 7,515	\$ 13,586	\$ 7,942	\$ (5,644)
TOTAL REVENUE	<u>7,515</u>	<u>13,586</u>	<u>\$ 7,942</u>	<u>\$ (5,644)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 7,515</u>	<u>\$ 13,586</u>		
<b>EXPENDITURES</b>				
Current				
Support Services - Instruction	\$ 7,515	\$ 13,586	\$ 11,028	\$ 2,558
TOTAL EXPENDITURES	<u>\$ 7,515</u>	<u>\$ 13,586</u>	<u>\$ 11,028</u>	<u>\$ 2,558</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 7,942
Differences budget to GAAP	
Prior Year Deferral	7,704
Current Year Deferral	(4,618)
Total Revenues (GAAP Basis)	<u>\$ 11,028</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 11,028
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 11,028</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENT ACT - 27138

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 19,431	\$ -	\$ (19,431)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>19,431</u>	<u>\$ -</u>	<u>\$ (19,431)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 19,431</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 19,431	\$ 16,119	\$ 3,312
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 19,431</u>	<u>\$ 16,119</u>	<u>\$ 3,312</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	
Prior Year Deferral	19,430
Current Year Deferral	(3,311)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 16,119</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 16,119
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 16,119</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - BEGINNING TEACHER MENTORING - 27154

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 6,019	\$ 6,018	\$ (1)
TOTAL REVENUE	<u>-</u>	<u>6,019</u>	<u>\$ 6,018</u>	<u>\$ (1)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6,019</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 6,019	\$ -	\$ 6,019
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6,019</u>	<u>\$ -</u>	<u>\$ 6,019</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 6,018
Differences budget to GAAP	
Prior Year Deferral	71
Current Year Deferral	(6,089)
Total Revenues (GAAP Basis)	<u>\$ -</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - LIBRARY GO BONDS - 27170

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 8,825	\$ -	\$ (8,825)
TOTAL REVENUE	-	8,825	-	(8,825)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 8,825		
<b>EXPENDITURES</b>				
Current				
Support Services - Instruction	\$ -	\$ 8,825	\$ 8,070	\$ 755
TOTAL EXPENDITURES	\$ -	\$ 8,825	\$ 8,070	\$ 755

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	
Prior Year Receivable	(897)
Current Year Receivable	8,967
Total Revenues (GAAP Basis)	<u>\$ 8,070</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 8,070
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 8,070</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - STATE DIRECTED ACTIVITIES - 27200

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 65,427	\$ 65,426	\$ (1)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>65,427</u>	<u>\$ 65,426</u>	<u>\$ (1)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 65,427</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 65,427	\$ 65,426	\$ 1
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 65,427</u>	<u>\$ 65,426</u>	<u>\$ 1</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 65,426
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 65,426</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 65,426
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 65,426</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - 2008 LIBRARY BOOK FUND - 27549

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 1,316	\$ 1,316	\$ -
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,316</u>	<u>1,316</u>	<u>-</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,316</u>		
<b>EXPENDITURES</b>				
Current				
Support Services - Instruction	\$ -	\$ 1,316	\$ -	\$ 1,316
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,316</u>	<u>\$ -</u>	<u>\$ 1,316</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,316
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Deferral	(1,316)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ -</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ -</u>

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



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - CATCH - 28140

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 900	\$ 829	\$ (71)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>900</u>	<u>\$ 829</u>	<u>\$ (71)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 900</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 900	\$ 829	\$ 71
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 900</u>	<u>\$ 829</u>	<u>\$ 71</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 829
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 829</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 829
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 829</u>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE FUND - CITY COUNTY GRANTS - 29107

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue	\$ -	\$ 12,728	\$ 8,000	\$ (4,728)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>12,728</b>	<b>8,000</b>	<b>(4,728)</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 12,728</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 12,728	\$ 9,395	\$ 3,333
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 12,728</b>	<b>\$ 9,395</b>	<b>\$ 3,333</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 8,000
Differences budget to GAAP	
Prior Year Deferral	9,728
Current Year Deferral	(8,333)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 9,395</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 9,395
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 9,395</b>

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

## **Non-Major Funds**

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2008

	SPECIAL CAPITAL OUTLAY STATE 31400	PUBLIC SCHOOL CAPITAL OUTLAY 20% 32100	COMBINED
<b>ASSETS</b>			
Cash on Deposit	\$ -	\$ -	\$ -
Taxes receivable	-	-	-
Due from other Governments	-	-	-
Inventories	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
Fund Balance			
Reserved:			
Reserved for inventory		-	-
Unreserved:			
Designated for subsequent year expenditures	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

STATE OF NEW MEXICO  
DEXTER CONSOLIDATED SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS

Year Ended June 30, 2009

	SPECIAL CAPITAL OUTLAY STATE 31400	PUBLIC SCHOOL CAPITAL OUTLAY 20% 32100	COMBINED
<b>REVENUES</b>			
Federal Aid	\$ -	\$ -	\$ -
State Aid	472,000	-	472,000
Local revenues	-	-	-
Interest	-	1	1
<b>TOTAL REVENUES</b>	<b>472,000</b>	<b>1</b>	<b>472,001</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Food Service	-	-	-
Facilities and construction	472,000	10,151	482,151
<b>TOTAL EXPENDITURES</b>	<b>472,000</b>	<b>10,151</b>	<b>482,151</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>(10,150)</b>	<b>(10,150)</b>
<b>FUND BALANCE- JUNE 30, 2008</b>	<b>-</b>	<b>10,150</b>	<b>10,150</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - SPECIAL REVENUE - SB-9 CAPITAL IMPROVEMENTS FUND - 31700

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
<b>Local Revenue</b>				
Taxes	\$ 51,964	\$ 51,964	\$ 55,626	\$ 3,662
Investment Income	1,300	1,300	1,144	(156)
<b>TOTAL LOCAL REVENUE</b>	<b>53,264</b>	<b>53,264</b>	<b>56,770</b>	<b>\$ 3,506</b>
<b>State Revenue</b>				
State flowthrough	-	90,471	180,004	\$ 89,533
<b>TOTAL FEDERAL REVENUE</b>	<b>-</b>	<b>90,471</b>	<b>180,004</b>	<b>\$ 89,533</b>
<b>TOTAL REVENUE</b>	<b>53,264</b>	<b>143,735</b>	<b>\$ 236,774</b>	<b>\$ 93,039</b>
<b>BUDGETED CASH BALANCE</b>	<b>89,502</b>	<b>89,502</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 142,766</b>	<b>\$ 233,237</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Facilities and construction	\$ 142,766	\$ 233,237	\$ 144,121	\$ 89,116
<b>TOTAL EXPENDITURES</b>	<b>\$ 142,766</b>	<b>\$ 233,237</b>	<b>\$ 144,121</b>	<b>\$ 89,116</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

<b>Sources/Inflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 236,774
Differences budget to GAAP	
Prior Year receivable	(1,173)
Refund of prior year state match	(3,066)
Current Year receivable	737
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 233,272</b>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 144,121
Differences-budget to GAAP	
Prior year accounts payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 144,121</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - CAPITAL PROJECTS - PUBLIC SCHOOL CAPITAL OUTLAY 20% - 32100

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue				
PSCOC Awards	\$ -	\$ -	\$ -	\$ -
Investment Income	100	100	1	(99)
<b>TOTAL REVENUE</b>	<b>100</b>	<b>100</b>	<b>\$ 1</b>	<b>\$ (99)</b>
<b>BUDGETED CASH BALANCE</b>	<b>10,177</b>	<b>10,177</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 10,277	\$ 10,277	\$ 10,151	\$ 126
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,277</b>	<b>\$ 10,277</b>	<b>\$ 10,151</b>	<b>\$ 126</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1
Differences budget to GAAP	-
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 1</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 10,151
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 10,151</b>

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)  
AND ACTUAL - CAPITAL PROJECTS - SPECIAL CAPITAL OUTLAY-STATE - 31400

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue				
Special Capital Outlay - State	\$ 297,000	\$ 472,000	\$ 472,000	\$ -
Investment Income	-	-	-	-
<b>TOTAL REVENUE</b>	<u>297,000</u>	<u>472,000</u>	<u>\$ 472,000</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 297,000</u>	<u>\$ 472,000</u>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 297,000	\$ 472,000	\$ 472,000	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ 297,000</u>	<u>\$ 472,000</u>	<u>\$ 472,000</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 472,000
Differences budget to GAAP		
Prior Year receivable		-
Current Year receivable		-
Total Revenues (GAAP Basis)		<u>\$ 472,000</u>
 <b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 472,000
Differences-budget to GAAP		
Total Expenditures (GAAP Basis)		<u>\$ 472,000</u>

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



## **OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

FIDUCIARY FUNDS  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
For the year ended June 30, 2009

	Balance June 30, 2008	Receipts	Disbursements	Balance June 30, 2009
<u>ASSETS</u>				
High School	\$ 131,631	\$ 626,490	\$ 632,341	\$ 125,780
Middle School	2,295	10,799	9,855	3,239
Elementary School	1,459	14,005	12,128	3,336
Administration	468	1,539	1,716	291
	<u>\$ 135,853</u>	<u>\$ 652,833</u>	<u>\$ 656,040</u>	<u>\$ 132,646</u>
Pooled Cash and Investments	<u>\$ 135,853</u>	<u>\$ 652,833</u>	<u>\$ 656,040</u>	<u>\$ 132,646</u>
<u>LIABILITIES</u>				
Deposits held for others	<u>\$ 135,853</u>	<u>\$ 652,833</u>	<u>\$ 656,040</u>	<u>\$ 132,646</u>

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2009

	<u>James Polk Stone National Bank</u>
Cash on Deposit at June 30, 2009	\$ 931,706
Less FIDC Coverage	<u>931,706</u>
Uninsured Funds	-
50% Collateral Requirement	<u>-</u>
Amount Requiring Pledged Collateral	-
Pledged Collateral	<u>429,000</u>
Excess of Pledged Collateral	<u>\$ 429,000</u>

Pledged collateral of financial institutions consists of the following at June 30, 2009

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Amount</u>
James Polk Stone National Bank			
FHLB Non Call FR	6/10/11	3133XFJY3	<u>429,000</u>
Total James Polk Stone National Bank			<u>\$ 429,000</u>

The above securities are held by The Texas Independent Bankers

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
Cash Reconciliation  
June 30, 2009

	Beginning Cash	Receipts	Distributions	Other
Hagerman Municipal Schools				
Operational Account	\$ 734,020	\$ 3,999,419	\$ (3,979,484)	\$ -
Transportation	-	267,776	(267,776)	-
Instructional Materials	18,283	42,843	(48,092)	-
Food Services	10,429	221,601	(220,751)	-
Athletics	14,147	13,042	(15,040)	-
Federal Flowthrough	234	458,892	(429,708)	(96,887)
Federal Direct	31,069	74,738	(50,280)	-
Local Grants Fund	89,866	37,009	(110,774)	-
State Flowthrough	26,309	80,703	(100,645)	-
State Direct	-	829	(829)	-
Local/State	9,728	8,000	(9,395)	-
Bond Building	710,417	5,463	(483,209)	-
Special Capital Outlay - State	-	472,000	(472,000)	-
Capital Improvement SB-9	72,432	236,775	(144,121)	(3,066)
PSCOC 20%	10,150	1	(10,151)	-
Debt Service	189,439	203,593	(188,389)	-
Student Activities	135,853	652,833	(656,040)	-
<b>Total Hagerman Municipal</b>	<b>\$ 2,052,376</b>	<b>\$ 6,775,517</b>	<b>\$ (7,186,684)</b>	<b>\$ (99,953)</b>

Account Name	Account Type	Bank Name	Bank Amount
Hagerman Municipal Schools			
Operational	Checking	James Polk Stone	\$ 354,871
Food Services	Checking	James Polk Stone	11,279
Athletic Fund	Checking	James Polk Stone	3,994
Federal Projects	Checking	James Polk Stone	25,501
Building Fund	Checking	James Polk Stone	132,866
Activity Fund	Checking	James Polk Stone	121,124
Debt Service	Checking	James Polk Stone	186,305
Capital Improvements	Checking	James Polk Stone	95,766
<b>Total Hagerman Municipal Schools</b>			<b>\$ 931,706</b>
Multi Fund	CD	NM State Treas	805,405
<b>Total Bank Balances</b>			<b>\$ 1,737,111</b>
Add reclassification to accounts payable			76,436
Reconciling Items			(195,855)
<b>Report Balance</b>			<b>\$ 1,617,692</b>

Net Cash end of Period	Adjustments to the report	Total Cash on Report
\$ 753,955	\$ -	\$ 753,955
-	-	-
13,034	-	13,034
11,279	-	11,279
12,149	-	12,149
(67,469)	67,469	-
55,527	-	55,527
16,101	-	16,101
6,367	8,967	15,334
-	-	-
8,333	-	8,333
232,671	-	232,671
-	-	-
162,020	-	162,020
-	-	-
204,643	-	204,643
132,646	-	132,646
<u>\$ 1,541,256</u>	<u>\$ 76,436</u>	<u>\$ 1,617,692</u>

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition - Cluster:</u>			
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Public Education Department:			
USDÁ National School Lunch Program	10.555	21000	\$ <u>207,378</u>
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>15,080</u>
Total U.S. Department of Agriculture			<u>222,458</u>
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Public Education Department:			
Title I	84.010	24101	238,185
Title I, Migrant	84.011	24103	24,000
IDEA-B Entitlement	84.027	24106	101,613
IDEA-B Discretionary	84.027	24107	2,905
IDEA-B Preschool	84.173	24109	5,789
Title II Teacher Principal Training	84.367	24154	37,035
Title IV	84.186	24157	3,314
Title I Federal Stimulus	84.010	24201	16,585
Preschool Federal Stimulus	84.027	24209	282
Title Xix Medicaid 3/21	93.778	25153	39,199
REAP	84.358	25233	11,081
Total Pass Through Grants			<u>479,988</u>
Total Federal Awards Expenditures			\$ <u>702,446</u>

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.

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

Hector Balderas, State Auditor  
Hagerman Municipal School and  
Board of Education  
Hagerman, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the general fund budgetary comparison, and the aggregate remaining fund information, and the combining and individual funds and all the budgetary comparisons presented as supplemental information of the Hagerman Municipal Schools (the District) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

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

identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hagerman Municipal School 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.

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

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive style.

Ronny Fouts, CPA  
Melrose, New Mexico  
October 9, 2009



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

Hector Balderas, State Auditor  
Hagerman Municipal School and  
Board of Education  
Hagerman, New Mexico

Compliance

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

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

In our opinion, Hagerman Municipal School 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 Hagerman Municipal School 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

Hagerman Municipal School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's 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 noncompliance with a type of compliance requirement of a federal program that is more than inconsequential 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 result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control structure 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 Board of Education, Management, the Office of the New Mexico State Auditor, New Mexico Public Education Department and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Ronny Fouts, CPA  
Melrose, New Mexico  
October 9, 2009

STATE OF NEW MEXICO  
HAGERMAN 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
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 Program	Title I CFDA#84.010
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified

II. FEDERAL PROGRAM FINDINGS: None

III. FINANCIAL STATEMENT FINDINGS:

HAGERMAN MUNICIPAL SCHOOL

III. SUMMARY OF PRIOR AUDIT FINDINGS

None None

IV. CURRENT FINDINGS None

V. CURRENT YEAR FINDINGS

Late Audit Report 09-01

Condition

The audit report was filed by the due date of November 15, 2009, but because of changes required in the report the SAO office deemed the report to not be timely filed.

Criteria

According to the New Mexico State Auditor Rule 2.2.2.9 the audit report due date for this agency is November 15.

Cause

The report was timely filed by November 15, however, changes required by the Office of the State Auditor's office which were made after the due date of November 15, has deemed the report to be late.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2009

Effect

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

Recommendation

The association and auditor will be more diligent to file the audit in the future.

Response

The audit will be filed timely in the future.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

OTHER DISCLOSURES

June 30, 2009

AUDITOR PREPARED 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, to discuss the contents of this report, was held on October 23, 2009. In attendance were Mr. Steve Starkey, Superintendent; Trey Lilley, Board Member; Cheryl Andrews, Director of Business and Finance; and Ronny Fouts, CPA.