

**STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS**

Audit Report

For the Year Ended June 30, 2010

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
Melrose, New Mexico

STATE OF NEW MEXICO
Hagerman Municipal Schools

Official Roster
For the year ended June 30, 2010

BOARD OF EDUCATION

Chad Hamill..... President
James Hollmann 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
Table of Contents
June 30, 2010

	Page
INTRODUCTORY SECTION	
Official Roster.....	i
Table of Contents.....	ii-iii
 FINANCIAL SECTION	
Independent Auditor's Report	1-2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5-6
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	8-9
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	10
Major Funds:	
Statement of Revenues and Expenditures - Budget (Non-GAAP) and Actual General Fund.....	11
Statement of Assets and Liabilities – Agency Funds	12
Notes to Financial Statements	13-26
 SUPPLEMENTAL INFORMATION:	
Statement of Revenues and Expenditures – Budget (Non-GAAP) and Actual	
Debt Service Fund	27
Bond Building Fund.....	28
SB-9 Capital Improvements Fund.....	29
Combining Balance Sheet-General Funds	30
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance-General Funds	31
 Non-major Special Revenue Funds:	
Combining Balance Sheet	32-35
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	36-39

Statement of Revenue and Expenditures - Budget (Non-GAAP) and Actual:

Food Services	40
Athletics	41
Title I	42
Migrant	43
IDEA Entitlement.....	44
IDEA Discretionary.....	45
IDEA Preschool.....	46
IDEA Risk Pool	47
Teacher Principal Training	48
Safe & Drug Free Schools	49
Title I Federal Stimulus.....	50
IDEA Entitlement Federal Stimulus	51
IDEA Preschool Federal Stimulus	52
Title XIX Medicaid	53
Rural Education Achievement	54
SEG Federal Stimulus.....	55
Rural Vision.....	56
Microsoft Settlement	57
Dual Credit Instructional Materials	58
Go Library Bonds.....	59
Technology For Education.....	60
Incentives for School Improvement	61
Beginning Teacher Mentoring Program.....	62
Library Go Bonds	63
State Directed Activities.....	64
2008 Library Book Fund	65
Catch.....	66
City County Grants.....	67

OTHER SUPPLEMENTAL INFORMATION:

Fiduciary Funds:

Schedule of Changes in Assets and Liabilities	68
Schedule of Pledged Collateral.....	69
Cash Reconciliation	70-71

Schedule of Expenditures of Federal Awards.....	72
---	----

Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	73-74
--	-------

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	75-76
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Schedule of Findings and Questioned Costs.....	77-78
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Exit Conference.....	79
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INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor
And 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 and the general fund budgetary comparison of the Hagerman Municipal School, as of and for the year ended June 30, 2010, 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 Hagerman Municipal School's nonmajor governmental funds and budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these financial statements based on our audit.

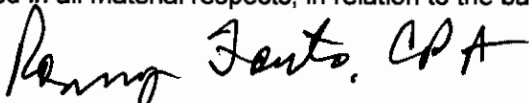
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and 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 School, as of June 30, 2010, 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 School as of June 30, 2010 and the respective changes in financial position, and the respective budgetary comparisons for the nonmajor funds and the major capital projects funds and the debt service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2010, on our consideration of Hagerman Municipal School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

For the year ended June 30, 2010, 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 financials 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 is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.



Ronny Fouts, CPA
Melrose, New Mexico
October 14, 2010

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
STATEMENT OF NET ASSETS

June 30, 2010

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 1,338,110
Taxes Receivable	5,286
Due from other Governments	185,777
Inventories	3,890
Non-current	
Bond Issue costs	31,820
Capital Assets - Net	<u>11,174,943</u>
TOTAL ASSETS	<u><u>\$ 12,739,826</u></u>
 LIABILITIES	
Current:	
Accounts Payable	\$ -
Deferred Revenue	92,279
Accrued Interest	10,971
Debt Due Within One Year	<u>205,000</u>
Total Current Liabilities	308,250
Non-current	
Debt Due in More Than One Year	<u>1,040,000</u>
Total Non-current Liabilities	<u>1,040,000</u>
TOTAL LIABILITIES	<u>1,348,250</u>
 NET ASSETS	
Invested in capital assets, net of related debt	9,929,943
Restricted for:	
Debt Service	251,146
Capital Projects	509,272
Unrestricted	<u>701,215</u>
TOTAL NET ASSETS	<u><u>\$ 11,391,576</u></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, 2010

Functions/Programs	Program Revenues			Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue & Changes in Net Assets
Primary Government:				
Governmental activities:				
Instruction	\$ 3,099,527	\$ -	\$ 851,927	\$ -
Support Services				
Students	297,873	17,562	116,550	-
Instruction	105,631	-	28,492	-
General Administration	190,793	-	127	-
School Administration	291,219	-	9,472	-
Central Services	65,914	-	-	-
Operation & Maintenance of Plant	969,796	-	-	-
Student Transportation	231,787	-	231,787	-
Food service	256,694	15,852	213,299	-
Debt Interest Paid	21,166	-	-	-
Unallocated depreciation	123,857	-	-	-
Total Governmental Activities	\$ 5,654,257	\$ 33,414	\$ 1,451,654	\$ -

General Revenues	
Property taxes:	
Levied for general purposes	13,076
Levied for debt service	208,922
Levied for capital projects	57,820
State aid	3,648,517
Unrestricted investment earnings	2,018
Other Local Revenues	60,869
Loss on Capital Assets	(3,047)
Total general revenues	<u>3,988,175</u>
Change in net assets	(181,014)
Net assets beginning	<u>11,572,590</u>
Net Assets- ending	<u>\$ 11,391,576</u>

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

	GENERAL FUND	DEBT SERVICE	BOND BUILDING	SB-9 FUND
ASSETS				
Cash on Deposit	\$ 447,380	\$ 226,329	\$ 346,778	\$ 161,397
Taxes Receivable	221	3,968	-	1,097
Due from other funds	185,777	-	-	-
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	\$ 633,378	\$ 230,297	\$ 346,778	\$ 162,494
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	230,297	-	-
Unreserved:				
Undesignated, Reported in				
General Fund	633,378	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	346,778	162,494
TOTAL FUND BALANCE	633,378	230,297	346,778	162,494
TOTAL LIABILITIES AND FUND BALANCE	\$ 633,378	\$ 230,297	\$ 346,778	\$ 162,494

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

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

\$	156,226	\$	1,338,110
	-		5,286
	-		185,777
	185,777		185,777
	3,890		3,890
\$	345,893	\$	1,718,840

\$	-	\$	-
	185,777		185,777
	92,279		92,279
	278,056		278,056

3,890	3,890
-	230,297

-	633,378
63,947	63,947
-	509,272
67,837	1,440,784

\$	345,893	\$	1,718,840
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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, 2010

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

Fund Balance - total governmental funds	\$ 1,440,784
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	11,174,943
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Bonds Payable	(1,245,000)
Bond Issue Costs	31,820
Accrued Interest	<u>(10,971)</u>
Net assets of governmental activities	<u>\$ 11,391,576</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, 2010

	GENERAL FUND	DEBT SERVICE	BOND BUILDING	SB-9 FUND
REVENUE				
Federal Aid	\$ 1,061	\$ -	\$ -	\$ -
State Aid	3,758,187	-	-	89,871
Property taxes	13,076	208,922	-	57,820
interest	1,377	113	332	151
Other local sources	32,568	-	-	6,527
TOTAL REVENUES	3,806,269	209,035	332	154,369
EXPENDITURES				
Current				
Instruction	2,390,258	-	-	-
Support Services				
Students	181,323	-	-	-
Instruction	77,139	-	-	-
General Administration	220,609	1,877	-	-
School Administration	281,747	-	-	-
Central Services	65,914	-	-	-
Operation & Maintenance of Plant	387,863	-	-	-
Transportation of students	231,787	-	-	-
Food Service	43,395	-	-	-
Non-current				
Principal Retirement	-	165,000	-	-
Bond Interest	-	19,186	-	-
Facilities and construction	60,000	-	286,225	154,632
TOTAL EXPENDITURES	3,940,035	186,063	286,225	154,632
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(133,766)	22,972	(285,893)	(263)
OTHER FINANCING SOURCES (USES)				
Sale of Bonds	-	-	400,000	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	400,000	-
NET CHANGE IN FUND BALANCES	(133,766)	22,972	114,107	(263)
FUND BALANCE - JUNE 30, 2009	767,144	207,325	232,671	162,757
FUND BALANCE - JUNE 30, 2010	\$ 633,378	\$ 230,297	\$ 346,778	\$ 162,494

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

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

\$ 1,238,806	\$ 1,239,867
12,246	3,860,304
-	279,818
45	2,018
55,187	94,282
<u>1,306,284</u>	<u>5,476,289</u>

674,403	3,064,661
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116,550	297,873
28,492	105,631
127	222,613
9,472	291,219
-	65,914
224,700	612,563
-	231,787
213,299	256,694

-	165,000
-	19,186
1	500,858
<u>1,267,044</u>	<u>5,833,999</u>

39,240	(357,710)
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-	400,000
<u>-</u>	<u>400,000</u>

39,240	42,290
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28,597	1,398,494
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<u>\$ 67,837</u>	<u>\$ 1,440,784</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, 2010

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

Net change in fund balance - total governmental funds	\$	42,290
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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 Depreciation exceeded capital outlays in the current year.	(15,098)
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Disposal of assets net of depreciation	(3,047)
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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 of governmental funds. Neither transaction, however, has any effect on net assets.

Increase in accrued interest payable	(1,980)
Principal payment on bonds	165,000
Bond Issue Costs	31,820
Bonds Issued	(400,000)

Rounding	<u>1</u>
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Change in Net Assets	<u>\$ (181,014)</u>
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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

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Taxes	\$ 12,846	\$ 12,846	\$ 13,010	\$ 164
Charges for Services	-	-	-	-
Interest Income	9,500	9,500	1,377	(8,123)
State Equalization	3,640,946	3,506,385	3,508,282	1,897
State Flow through Grants	241,466	249,476	249,905	429
Refunds	-	-	518	518
Contributions	-	-	14,282	14,282
Access Board (e-rate)	15,159	15,159	17,768	2,609
Federal revenue	1,123	1,123	1,061	(62)
TOTAL REVENUE	3,921,040	3,794,489	\$ 3,806,203	\$ 11,714
BUDGETED CASH BALANCE	733,401	733,401		
TOTAL REVENUE & CASH	\$ 4,654,441	\$ 4,527,890		
EXPENDITURES				
Current				
Instruction	\$ 2,470,691	\$ 2,618,517	\$ 2,390,258	\$ 228,259
Support Services				
Students	371,990	371,990	181,323	190,667
Instruction	99,042	99,042	77,139	21,903
General Administration	240,734	230,734	220,609	10,125
School Administration	299,129	289,129	281,747	7,382
Central Services	76,777	76,777	65,914	10,863
Operation & Maintenance of Plant	754,930	493,869	387,863	106,006
Student Transportation	225,103	231,787	231,787	-
Other Support Services	1,695	1,695	-	1,695
Food Services	54,350	54,350	43,395	10,955
Facilities Acquisition & Construction	60,000	60,000	60,000	-
TOTAL EXPENDITURES	\$ 4,654,441	\$ 4,527,890	\$ 3,940,035	\$ 587,855

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 3,806,203
Differences budget to GAAP	
Prior Year receivable	(155)
Change in deferred taxes	-
Current Year receivable	221
Total Revenues (GAAP Basis)	\$ 3,806,269
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 3,940,035
Differences-budget to GAAP	
Prior year payable	-
Change in inventory	-
Current year payable	-
Total Expenditures (GAAP Basis)	\$ 3,940,035

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, 2010

<u>ASSETS</u>	Agency Funds
Pooled Cash and Investments	<u>\$ 132,685</u>
<u>LIABILITIES</u>	
Liabilities:	
Deposits held for others	<u>\$ 132,685</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, 2010

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 are 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, 2010

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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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 1st. 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 10th and April 10th 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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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 that are not available for appropriation or are legally restricted by outside parties for use

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

I. Summary of Significant Accounting Policies

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 30th 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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

I. Summary of Significant Accounting Policies

public school fund under the authority of the Director of Public School Finance. The District received \$3,508,282 in state equalization guarantee distributions during the year ended June 30, 2010.

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 \$231,787 in transportation distributions during the year ended June 30, 2010.

II. Stewardship, compliance, and accountability

A. Budgetary information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be 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.

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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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, 2010 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, 2010.

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2010, the carrying amount of the District's deposits was \$977,221 and the bank balance was \$1,140,189. Of this balance \$250,000 was covered by the federal depository insurance and \$518,062 was covered by collateral held in joint safekeeping by a third party.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least 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.

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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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, 2010, the District's investment in the state investment pool was rated AAAM by Standard & Poor's.

New MexiGROW LGIP AAAM Rated \$493,574 43-day WAM

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, 2010, the government's bank balance was 468,062 collateralized. As of June 30, 2010 \$372,127 of the government's deposits totaling \$1,140,189 was exposed to custodial credit risk.

Total Deposits	\$ 1,140,189
Less: FDIC Insurance	<u>(250,000)</u>
Uninsured Funds	890,189
Pledged Collateral held by pledging Bank's agent in the District's name	<u>518,062</u>
Uninsured and uncollateralized	<u>\$ 372,127</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:

	<u>Due From Other Governments</u>
Other Governmental Funds	<u>185,777</u>
Total Amounts Receivable	<u>\$ 185,777</u>

Interfund Receivables

The District had Interfund Receivables/Payables at June 30, 2010 in the amount of 185,777. These were temporary loans to federal funds while waiting for reimbursements.

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

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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>92,279</u>
Total deferred/unearned revenue for governmental funds	\$ <u>92,279</u>

D. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 53,149	\$ -	\$ -	\$ 53,149
Capital assets, being depreciated:				
Buildings and improvements	14,301,986	242,607	-	14,544,593
Equipment	2,231,222	245,877	6,230	2,470,869
Total capital assets, being depreciated	16,533,208	488,484	6,230	17,015,462
Less accumulated depreciation for:				
Buildings & Improvements	4,045,818	357,233	-	4,403,051
Equipment	1,347,451	146,349	3,183	1,490,617
Total accumulated depreciation	5,393,269	503,582	3,183	5,893,668
Total capital assets, being Depreciated, net	11,139,939	(15,098)	3,047	11,121,794
Governmental activities				
Capital assets, net	\$ 11,193,088	\$ (15,098)	\$ 3,047	\$ 11,174,943

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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

E. Long-Term debt

IV. Detailed notes on all funds (continued)

Original Amount	Interest Rate	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount Due in One Year
\$ 865,000	4.65 to 6.5	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
150,000	5.05 to 7.05	25,000	-	25,000	-	-
400,000	.715 to 1.95	275,000	-	40,000	235,000	60,000
400,000	1.52 to 2.03	260,000	-	30,000	230,000	40,000
400,000	1.52 to 2.03	400,000	-	20,000	380,000	80,000
400,000	.67 to 3.5	-	400,000	-	400,000	25,000
<u>\$ 1,500,000</u>		<u>\$ 1,010,000</u>	<u>\$ 400,000</u>	<u>\$ 165,000</u>	<u>\$ 1,245,000</u>	<u>\$ 205,000</u>

Fiscal Year	Principal	Interest	Total
2011	\$ 205,000	\$ 21,400	\$ 226,400
2012	200,000	16,390	216,390
2013	165,000	13,471	178,471
2014	165,000	10,654	175,654
2015	105,000	8,307	113,307
2016 to 2020	405,000	16,939	421,939
	<u>\$ 1,245,000</u>	<u>\$ 87,161</u>	<u>\$ 1,332,161</u>

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within 1 Year
Governmental Activities:					
General Obligation Debt	<u>\$ 1,010,000</u>	<u>\$ 400,000</u>	<u>\$ 165,000</u>	<u>\$ 1,245,000</u>	<u>\$ 205,000</u>
Total	<u>\$ 1,010,000</u>	<u>\$ 400,000</u>	<u>\$ 165,000</u>	<u>\$ 1,245,000</u>	<u>\$ 205,000</u>

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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 \$1,245,000 debt outstanding based on the 2010 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

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, 2010.

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 (ERB) is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits survivor benefits and cost-of-living adjustments to plan members (certified teachers and other employees of State public school districts, colleges, and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information of the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Funding Policy – Effective July 1, 2009 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The Hagerman Municipal School was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000, annually. The employer contribution is increasing .75% each year until July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. 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 the legislature. The Hagerman Municipal School District's contributions to the ERA for the years ended June 2010, 2009, and 2008 were \$322,989, \$330,642 and \$308,713 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 provisions of the healthcare plan and is also authorized to designate optional and /or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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. During the fiscal year ended June 30, 2010, 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. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

(1)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917
FY13	2.000%	1.000%

Also, 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, 2010, 2008, and 2007 were \$37,358, \$36,896 and \$36,765, respectively, which equal the required contributions for each year.

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STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

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

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 194,345	\$ 194,345	\$ 207,636	\$ 13,291
Investment Income	709	709	113	(596)
TOTAL REVENUE	<u>195,054</u>	<u>195,054</u>	<u>\$ 207,749</u>	<u>\$ 12,695</u>
BUDGETED CASH BALANCE	<u>189,027</u>	<u>184,986</u>		
TOTAL REVENUE & CASH	<u>\$ 384,081</u>	<u>\$ 380,040</u>		
EXPENDITURES				
Current				
General Administration	\$ 1,943	\$ 1,943	\$ 1,877	\$ 66
Debt Service				
Principal Retirement	174,000	173,999	165,000	8,999
Bond Interest	19,186	19,187	19,186	1
Non-operating Reserves	188,952	188,952	-	188,952
TOTAL EXPENDITURES	<u>\$ 384,081</u>	<u>\$ 384,081</u>	<u>\$ 186,063</u>	<u>\$ 198,018</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 207,749
Differences budget to GAAP	
Prior Year receivable	(2,682)
Change in deferred taxes	-
Current Year receivable	3,968
Total Revenues (GAAP Basis)	<u>\$ 209,035</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 186,063
Differences-budget to GAAP	
Prior year Interest Payable	-
Current Year Interest Payable	-
Total Expenditures (GAAP Basis)	<u>\$ 186,063</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 - CAPITAL PROJECTS - BOND BUILDING FUND - 31100

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Sale of Bonds	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Investment Income	4,000	4,000	332	(3,668)
TOTAL REVENUE	404,000	404,000	\$ 400,332	\$ (3,668)
BUDGETED CASH BALANCE	232,559	232,559		
TOTAL REVENUE & CASH	\$ 636,559	\$ 636,559		

EXPENDITURES

Current

Facilities and construction	\$ 636,559	\$ 636,559	\$ 286,225	\$ 350,334
TOTAL EXPENDITURES	\$ 636,559	\$ 636,559	\$ 286,225	\$ 350,334

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 400,332
Differences budget to GAAP	
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 400,332

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 286,225
Differences-budget to GAAP	
Prior year accounts payable	-
Total Expenditures (GAAP Basis)	\$ 286,225

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 56,682	\$ 56,682	\$ 57,460	\$ 778
Local Revenue	\$ -	\$ -	\$ 6,527	
Investment Income	-	-	151	151
TOTAL LOCAL REVENUE	56,682	56,682	64,138	\$ 929
State Revenue				
State flowthrough	-	89,851	89,871	\$ 20
TOTAL FEDERAL REVENUE	-	89,851	89,871	\$ 20
TOTAL REVENUE	56,682	146,533	\$ 154,009	\$ 949
BUDGETED CASH BALANCE	139,387	139,387		
TOTAL REVENUE & CASH	\$ 196,069	\$ 285,920		
EXPENDITURES				
Current				
Facilities and construction	\$ 196,069	\$ 285,920	\$ 154,632	\$ 131,288
TOTAL EXPENDITURES	\$ 196,069	\$ 285,920	\$ 154,632	\$ 131,288

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 154,009
Differences budget to GAAP	
Prior Year receivable	(737)
Current Year receivable	1,097
Total Revenues (GAAP Basis)	\$ 154,369

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 154,632
Differences-budget to GAAP	
Prior year accounts payable	-
Total Expenditures (GAAP Basis)	\$ 154,632

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, 2010

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
ASSETS				
Cash on Deposit	\$ 428,283	\$ -	\$ 19,097	\$ 447,380
Taxes Receivable	221	-	-	221
Due from other Funds	185,777	-	-	185,777
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	\$ 614,281	\$ -	\$ 19,097	\$ 633,378
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service				
Unreserved:				
Designated, Reported in				
General Fund	614,281	-	19,097	633,378
Special Revenue Funds				
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	614,281	-	19,097	633,378
TOTAL LIABILITIES AND FUND BALANCE	\$ 614,281	\$ -	\$ 19,097	\$ 633,378

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, 2010

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
REVENUE				
Federal Aid	\$ 1,061	\$ -	\$ -	\$ 1,061
State Aid	3,508,282	231,787	18,118	3,758,187
Property taxes	13,076	-	-	13,076
Interest	1,377	-	-	1,377
Other local sources	32,568	-	-	32,568
TOTAL REVENUES	3,556,364	231,787	18,118	3,806,269
EXPENDITURES				
Current				
Instruction	2,378,203	-	12,055	2,390,258
Support Services				
Students	181,323	-	-	181,323
Instruction	77,139	-	-	77,139
General Administration	220,609	-	-	220,609
School Administration	281,747	-	-	281,747
Central Services	65,914	-	-	65,914
Operation & Maintenance of Plant	387,863	-	-	387,863
Transportation of students	-	231,787	-	231,787
Food Service	43,395	-	-	43,395
Non-current				
Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Facilities and construction	60,000	-	-	60,000
TOTAL EXPENDITURES	3,696,193	231,787	12,055	3,940,035
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(139,829)	-	6,063	(133,766)
OTHER FINANCING SOURCES (USES)				
Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(139,829)	-	6,063	(133,766)
FUND BALANCE - JUNE 30, 2009	754,110	-	13,034	767,144
FUND BALANCE - JUNE 30, 2010	\$ 614,281	\$ -	\$ 19,097	\$ 633,378

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,123	\$ 1,123	\$ 1,061	\$ (62)
State Revenue	3,640,946	3,506,385	3,508,282	1,897
Property Taxes	12,846	12,846	13,010	
Local Revenue	15,159	15,159	32,568	17,409
Income from Investments	9,500	9,500	1,377	(8,123)
TOTAL REVENUE	3,679,574	3,545,013	\$ 3,556,298	\$ 11,121

BUDGETED CASH BALANCE	587,317	587,317		
TOTAL REVENUE & CASH	\$ 4,266,891	\$ 4,132,330		

EXPENDITURES

Current

Instruction	\$ 2,439,328	\$ 2,585,828	\$ 2,378,203	\$ 207,625
Support Services				
Students	371,990	371,990	181,323	190,667
Instruction	99,042	99,042	77,139	21,903
General Administration	240,734	230,734	220,609	10,125
School Administration	299,129	289,129	281,747	7,382
Central Services	76,777	76,777	65,914	10,863
Operation & Maintenance of Plant	754,930	493,869	387,863	106,006
Other Support Services	1,695	1,695	-	1,695
Food Services	54,350	54,350	43,395	10,955
Acquisitions of Facilities	60,000	60,000	60,000	-
TOTAL EXPENDITURES	\$ 4,397,975	\$ 4,263,414	\$ 3,696,193	\$ 567,221

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

Sources/inflows of Resources

Actual amounts (budgetary basis)	\$ 3,556,298
Differences budget to GAAP	
Prior Year receivable	(155)
Change in deferred taxes	-
Current Year receivable	221
Total Revenues (GAAP Basis)	\$ 3,556,364

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 3,696,193
Differences-budget to GAAP	
Change in inventory	
Prior year warrants voided	-
Total Expenditures (GAAP Basis)	\$ 3,696,193

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 225,103	\$ 231,787	\$ 231,787	\$ -
TOTAL REVENUE	225,103	231,787	<u>231,787</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 225,103</u>	<u>\$ 231,787</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 225,103	\$ 231,787	\$ 231,787	\$ -
TOTAL EXPENDITURES	<u>\$ 225,103</u>	<u>\$ 231,787</u>	<u>\$ 231,787</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 231,787
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 231,787</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 231,787
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 231,787</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 16,363	\$ 17,689	\$ 18,118	\$ 429
TOTAL REVENUE	16,363	17,689	18,118	429
BUDGETED CASH BALANCE	15,000	15,000		
TOTAL REVENUE & CASH	\$ 31,363	\$ 32,689		
EXPENDITURES				
Current				
Instruction	\$ 31,363	\$ 32,689	\$ 12,055	\$ 20,634
Support Services				
Instruction	-	-	-	-
TOTAL EXPENDITURES	\$ 31,363	\$ 32,689	\$ 12,055	\$ 20,634

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 18,118
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 18,118

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 12,055
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 12,055

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

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.

IDEA RISK POOL – 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.

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 the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

FUND DESCRIPTIONS (continued)

SPECIAL REVENUE FUNDS (continued)

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.

IDEA ENTITLEMENT FEDERAL STIMULUS – 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 PRESCHOOL FEDERAL STIMULUS – 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 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.

SEG FEDERAL STIMULUS – to account for a federal grant to help improve schools under the American Recovery and Reinvestment Act.

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.

DUAL CREDIT INSTRUCTIONAL MATERIALS – to account for funds used to aid students in earning college credits while still in secondary school.

GO LIBRARY BONDS – 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.

FUND DESCRIPTIONS (continued)

SPECIAL REVENUE FUNDS (continued)

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

STATE DIRECTED ACTIVITIES – 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.

2008 LIBRARY BOOK FUND – 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.

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2010

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	TITLE I MIGRANT 24103	IDEA-B ENTITLEMENT 24106
ASSETS					
Cash on Deposit	\$ 52,457	\$ 11,490	\$ -	\$ -	\$ -
Taxes Receivable	-	-	56,594	5,178	20,637
Due from other Governments	-	-	-	-	-
Inventories	3,890	-	-	-	-
TOTAL ASSETS	\$ 56,347	\$ 11,490	\$ 56,594	\$ 5,178	\$ 20,637
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	56,594	5,178	20,637
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	56,594	5,178	20,637
FUND BALANCE					
Fund Balance					
Restricted:					
Restricted for inventory	3,890	-	-	-	-
Restricted for subsequent year expenditures	52,457	11,490	-	-	-
TOTAL FUND BALANCE	56,347	11,490	-	-	-
TOTAL LIABILITIES & FUND BALANCE	\$ 56,347	\$ 11,490	\$ 56,594	\$ 5,178	\$ 20,637

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,492
-	698	-	6,118	505	47,092	101	-
\$ -	\$ 698	\$ -	\$ 6,118	\$ 505	\$ 47,092	\$ 101	\$ 66,492

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	698	-	6,118	505	47,092	101	-
-	-	-	-	-	-	-	66,492
-	698	-	6,118	505	47,092	101	66,492

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

\$ -	\$ 698	\$ -	\$ 6,118	\$ 505	\$ 47,092	\$ 101	\$ 66,492
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STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2010

	RURAL VISION 26127	TECHNOLOGY FOR EDUCATION 27117	TEACHER MENTORING PROGRAM 27154	LIBRARY GO BONDS 27170
ASSETS				
Cash on Deposit	\$ 5,077	\$ 1,015	\$ 9,292	\$ -
Taxes Receivable				
Due from other Governments	-	-	-	8,070
Inventories	-	-	-	-
TOTAL ASSETS	\$ 5,077	\$ 1,015	\$ 9,292	\$ 8,070
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	8,070
Deferred Revenue	5,077	1,015	9,292	-
TOTAL LIABILITIES	5,077	1,015	9,292	8,070
FUND BALANCE				
Fund Balance				
Restricted				
Restricted for inventory	-	-	-	-
Restricted for subsequent year expenditures	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-
TOTAL LIABILITIES & FUND BALANCE	\$ 5,077	\$ 1,015	\$ 9,292	\$ 8,070

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

STATE DIRECTED ACTIVITIES 27200	2008 LIBRARY BOOK FUND 27549	CITY COUNTY GRANTS 29107	COMBINED
\$ -	\$ 818	\$ 9,585	\$ 156,226
40,784	-	-	185,777
-	-	-	3,890
<u>\$ 40,784</u>	<u>\$ 818</u>	<u>\$ 9,585</u>	<u>\$ 345,893</u>

\$ -	\$ -	\$ -	\$ -
40,784	-	-	185,777
-	818	9,585	92,279
<u>40,784</u>	<u>818</u>	<u>9,585</u>	<u>278,056</u>

-	-	-	3,890
-	-	-	63,947
<u>-</u>	<u>-</u>	<u>-</u>	<u>67,837</u>

<u>\$ 40,784</u>	<u>\$ 818</u>	<u>\$ 9,585</u>	<u>\$ 345,893</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, 2010

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	MIGRANT 24103
REVENUES				
Federal Aid	\$ 237,318	\$ -	\$ 232,484	\$ 29,726
State Aid	-	-	-	-
Property taxes				
Local revenues	15,852	17,562	-	-
Interest	28	17	-	-
TOTAL REVENUES	253,198	17,579	232,484	29,726
EXPENDITURES				
Current				
Instruction	-	18,238	211,361	29,726
Support Services				
Students	-	-	-	-
Instruction	-	-	18,741	-
General Administration	-	-	-	-
School Administration	-	-	2,382	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Service	213,299	-	-	-
Facilities Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	213,299	18,238	232,484	29,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39,899	(659)	-	-
FUND BALANCE- JUNE 30, 2009	16,448	12,149	-	-
FUND BALANCE - JUNE 30, 2010	\$ 56,347	\$ 11,490	\$ -	\$ -

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

IDEA-B ENTITLEMENT 24106	IDEA -B PRESCHOOL 24109	IDEA -B RISK POOL 24120	TEACHER PRINCIPAL TRAINING 24154	SAFE & DRUG FREE SCHOOLS 24157
\$ 122,031	\$ 6,573	\$ 1,215	\$ 37,313	\$ 3,152
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>122,031</u>	<u>6,573</u>	<u>1,215</u>	<u>37,313</u>	<u>3,152</u>
94,396	5,549	-	37,313	3,152
21,610	1,024	1,215	-	-
-	-	-	-	-
-	-	-	-	-
6,025	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>122,031</u>	<u>6,573</u>	<u>1,215</u>	<u>37,313</u>	<u>3,152</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2010

	TITLE I STIMULUS 24201	PRESCHOOL STIMULUS 24209	TITLE XIX MEDICAID 25153	RURAL EDUCATION ACHIEVEMENT 25233	SEG FEDERAL STIMULUS 25250	RURAL VISION 26127	MICROSOFT SETTLEMENT FUND 26170
REVENUES							
Federal Aid	\$ 117,744	\$ 2,377	\$ 25,022	\$ 12,012	\$ 340,279	\$ -	\$ -
State Aid	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-
Local revenues	-	-	-	-	-	1	13,024
Interest	-	-	-	-	-	-	-
TOTAL REVENUES	117,744	2,377	25,022	12,012	340,279	1	13,024
EXPENDITURES							
Current							
Instruction	117,744	2,377	-	12,012	43,998	-	13,024
Support Services							
Students	-	-	25,022	-	67,679	-	-
Instruction	-	-	-	-	2,710	-	-
General Administration	-	-	-	-	127	-	-
School Administration	-	-	-	-	1,065	-	-
Central Services	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	224,700	-	-
Student Transportation	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-	1	-
TOTAL EXPENDITURES	117,744	2,377	25,022	12,012	340,279	1	13,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-
FUND BALANCE- JUNE 30, 2009	-	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

2008 DUAL CREDIT INS MAT 27103	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,560	\$ -	\$ -	\$ -	\$ 1,238,806
589	6,543	4,116	-	-	-	498	500	-	12,246
-	-	-	-	-	-	-	-	8,748	55,187
-	-	-	-	-	-	-	-	-	45
589	6,543	4,116	-	-	71,560	498	500	8,748	1,306,284
589	-	4,116	-	-	71,560	-	500	8,748	674,403
-	-	-	-	-	-	-	-	-	116,550
-	6,543	-	-	-	-	498	-	-	28,492
-	-	-	-	-	-	-	-	-	127
-	-	-	-	-	-	-	-	-	9,472
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	224,700
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	213,299
-	-	-	-	-	-	-	-	-	1
589	6,543	4,116	-	-	71,560	498	500	8,748	1,267,044
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	39,240
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	28,597
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,837

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 205,282	\$ 205,282	\$ 224,118	\$ 18,836
State Aid	-	-	-	-
Local Revenue	13,608	13,608	15,852	2,244
Income from Investments	-	-	28	28
TOTAL REVENUE	218,890	218,890	\$ 239,998	\$ 21,108
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 218,890	\$ 218,890		
EXPENDITURES				
Current				
Food Service	218,890	218,890	198,820	20,070
TOTAL EXPENDITURES	\$ 218,890	\$ 218,890	\$ 198,820	\$ 20,070

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 239,998
Differences budget to GAAP	
Prior Year receivable	-
Commodities received	13,200
Total Revenues (GAAP Basis)	\$ 253,198

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 198,820
Differences-budget to GAAP	
Commodities used	13,200
Prior year accounts payable	-
Change in Inventories	1,279
Total Expenditures (GAAP Basis)	\$ 213,299

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Fees from activities	\$ 12,100	\$ 12,100	\$ 17,562	\$ 5,462
Investment income	100	100	17	(83)
TOTAL REVENUE	<u>12,200</u>	<u>12,200</u>	<u>\$ 17,579</u>	<u>\$ 5,379</u>
BUDGETED CASH BALANCE	<u>10,563</u>	<u>10,563</u>		
TOTAL REVENUE & CASH	<u>\$ 22,763</u>	<u>\$ 22,763</u>		
EXPENDITURES				
Current				
Instruction	\$ 22,763	\$ 22,763	\$ 18,238	\$ 4,525
TOTAL EXPENDITURES	<u>\$ 22,763</u>	<u>\$ 22,763</u>	<u>\$ 18,238</u>	<u>\$ 4,525</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 17,579
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
Total Revenues (GAAP Basis)	<u>\$ 17,579</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 18,238
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 18,238</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 I - 24101

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 286,589	\$ 272,640	\$ 218,064	\$ (54,576)
TOTAL REVENUE	286,589	272,640	218,064	(54,576)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 286,589	\$ 272,640		
EXPENDITURES				
Current				
Instruction	\$ 265,439	\$ 251,490	\$ 211,361	\$ 40,129
Support Services				
Instruction	18,753	18,753	18,741	12
School Administration	2,397	2,397	2,382	15
TOTAL EXPENDITURES	\$ 286,589	\$ 272,640	\$ 232,484	\$ 40,156

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 218,064
Differences budget to GAAP	
Prior Year Receivable	(42,174)
Current Year Receivable	56,594
Total Revenues (GAAP Basis)	\$ 232,484

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 232,484
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 232,484

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 89,000	\$ 114,000	\$ 28,635	\$ (85,365)
TOTAL REVENUE	89,000	114,000	28,635	(85,365)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 89,000	\$ 114,000		
EXPENDITURES				
Current				
Instruction	\$ 29,000	\$ 30,000	\$ 29,726	\$ 274
Support Services				
Students	60,000	84,000	-	84,000
TOTAL EXPENDITURES	\$ 89,000	\$ 114,000	\$ 29,726	\$ 84,274

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 28,635
Differences budget to GAAP	
Prior Year receivable	(4,087)
Current Year receivable	5,178
Total Revenues (GAAP Basis)	\$ 29,726
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 29,726
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 29,726

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 126,493	\$ 139,403	\$ 102,022	\$ (37,381)
TOTAL REVENUE	126,493	139,403	102,022	(37,381)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 126,493	\$ 139,403		
EXPENDITURES				
Current				
Instruction	\$ 97,225	\$ 109,827	\$ 94,396	\$ 15,431
Support Services - Students	22,774	23,082	21,610	1,472
Support Services - Sch Administration	6,494	6,494	6,025	469
TOTAL EXPENDITURES	\$ 126,493	\$ 139,403	\$ 122,031	\$ 17,372

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 102,022
Differences budget to GAAP	
Prior Year Receivable	(628)
Current Year Receivable	20,637
Total Revenues (GAAP Basis)	\$ 122,031
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 122,031
Differences-budget to GAAP	
Prior Year Prepaid Expense	-
Total Expenditures (GAAP Basis)	\$ 122,031

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 2,905	\$ 2,905
TOTAL REVENUE	-	-	2,905	2,905
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ -		
EXPENDITURES				
Current				
Support Services				
Students	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,905
Differences budget to GAAP	
Prior Year Receivable	(2,905)
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ -

Uses/Outflows of Resources

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

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 6,875	\$ 6,950	\$ 6,239	\$ (711)
TOTAL REVENUE	<u>6,875</u>	<u>6,950</u>	<u>\$ 6,239</u>	<u>\$ (711)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 6,875</u>	<u>\$ 6,950</u>		
EXPENDITURES				
Current				
Instruction	\$ 5,844	\$ 5,925	\$ 5,549	\$ 376
Support Services				
Students	1,031	1,025	1,024	1
TOTAL EXPENDITURES	<u>\$ 6,875</u>	<u>\$ 6,950</u>	<u>\$ 6,573</u>	<u>\$ 377</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 6,239
Differences budget to GAAP	
Prior Year Receivable	(364)
Current Year Receivable	698
Total Revenues (GAAP Basis)	<u>\$ 6,573</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 6,573
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	<u>\$ 6,573</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 RISK POOL - 24120

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 1,215	\$ 1,215	\$ -
TOTAL REVENUE	-	1,215	<u>1,215</u>	<u>-</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,215</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Students	-	1,215	1,215	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,215</u>	<u>\$ 1,215</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,215
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 1,215</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 1,215
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 1,215</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 37,479	\$ 38,894	\$ 31,629	\$ (7,265)
TOTAL REVENUE	<u>37,479</u>	<u>38,894</u>	<u>\$ 31,629</u>	<u>\$ (7,265)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 37,479</u>	<u>\$ 38,894</u>		
EXPENDITURES				
Current				
Instruction	\$ 37,479	\$ 38,894	\$ 37,313	\$ 1,581
TOTAL EXPENDITURES	<u>\$ 37,479</u>	<u>\$ 38,894</u>	<u>\$ 37,313</u>	<u>\$ 1,581</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 31,629
Differences budget to GAAP	
Prior Year Receivable	(434)
Current Year Receivable	6,118
Total Revenues (GAAP Basis)	<u>\$ 37,313</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 37,313
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	<u>\$ 37,313</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 3,196	\$ 6,569	\$ 2,657	\$ (3,912)
TOTAL REVENUE	<u>3,196</u>	<u>6,569</u>	<u>\$ 2,657</u>	<u>\$ (3,912)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 3,196</u>	<u>\$ 6,569</u>		
EXPENDITURES				
Current				
Instruction	\$ 3,196	\$ 6,569	\$ 3,152	\$ 3,417
TOTAL EXPENDITURES	<u>\$ 3,196</u>	<u>\$ 6,569</u>	<u>\$ 3,152</u>	<u>\$ 3,417</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,657
Differences budget to GAAP	
Prior Year Receivable	(10)
Current Year Receivable	505
Total Revenues (GAAP Basis)	<u>\$ 3,152</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 3,152
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	<u>\$ 3,152</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 I - FEDERAL STIMULUS - 24201

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 82,602	\$ 147,759	\$ 87,237	\$ (60,522)
TOTAL REVENUE	82,602	147,759	<u>87,237</u>	<u>(60,522)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 82,602</u>	<u>\$ 147,759</u>		
EXPENDITURES				
Current				
Instruction	\$ 82,602	\$ 147,759	\$ 117,744	\$ 30,015
Support Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 82,602</u>	<u>\$ 147,759</u>	<u>\$ 117,744</u>	<u>\$ 30,015</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 87,237
Differences budget to GAAP	
Prior Year Receivable	(16,585)
Current Year Receivable	47,092
Total Revenues (GAAP Basis)	<u>\$ 117,744</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 117,744
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 117,744</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 - FEDERAL STIMULUS - 24206

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 125,512	\$ -	\$ (125,512)
TOTAL REVENUE	-	125,512	-	(125,512)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 125,512		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 125,512	\$ -	\$ 125,512
Support Services - Students	-	-	-	-
Support Services - Sch Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 125,512	\$ -	\$ 125,512

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	-
Total Revenues (GAAP Basis)	\$ -

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	-
Prior Year Prepaid Expense	-
Total Expenditures (GAAP Basis)	\$ -

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 - FEDERAL STIMULUS - 24209

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 4,439	\$ 2,558	\$ (1,881)
TOTAL REVENUE	-	4,439	2,558	(1,881)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 4,439		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 4,439	\$ 2,377	\$ 2,062
Support Services				
Students	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 4,439	\$ 2,377	\$ 2,062

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,558
Differences budget to GAAP	
Prior Year Receivable	(282)
Current Year Receivable	101
Total Revenues (GAAP Basis)	\$ 2,377

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,377
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	\$ 2,377

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 85,549	\$ 35,987	\$ (49,562)
TOTAL REVENUE	-	85,549	35,987	(49,562)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 85,549		
EXPENDITURES				
Current				
Support Services - Students	\$ -	\$ 85,549	\$ 25,022	\$ 60,527
TOTAL EXPENDITURES	\$ -	\$ 85,549	\$ 25,022	\$ 60,527

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 35,987
Differences budget to GAAP	
Prior Year Deferral	55,527
Current Year Deferral	(66,492)
Total Revenues (GAAP Basis)	\$ 25,022

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 25,022
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 25,022

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 12,012	\$ 12,012	\$ -
TOTAL REVENUE	-	12,012	12,012	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 12,012		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 12,012	\$ 12,012	\$ -
TOTAL EXPENDITURES	\$ -	\$ 12,012	\$ 12,012	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 12,012
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 12,012

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 12,012
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 12,012

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 - SEG FEDERAL STIMULUS - 25250

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 261,375	\$ 340,280	\$ 340,279	\$ (1)
TOTAL REVENUE	261,375	340,280	340,279	(1)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 261,375	\$ 340,280		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 43,998	\$ 43,998	\$ -
Support Services				
Students	-	67,679	67,679	-
Instruction	-	2,710	2,710	-
General Administration	-	127	127	-
School Administration	-	1,065	1,065	-
Operation & Maintenance of Plant	261,375	224,700	224,700	-
TOTAL EXPENDITURES	\$ 261,375	\$ 340,279	\$ 340,279	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 340,279
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 340,279</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 340,279
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 340,279</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Interest Income	\$ -	\$ -	\$ -	\$ -
Other Local Revenue	-	-	2,000	2,000
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
BUDGETED CASH BALANCE	<u>3,077</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 3,077</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Acquisition Of Facilities	\$ 3,077	\$ 3,077	\$ 1	\$ 3,076
TOTAL EXPENDITURES	<u>\$ 3,077</u>	<u>\$ 3,077</u>	<u>\$ 1</u>	<u>\$ 3,076</u>

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

Sources/Inflows of Resources		
Actual amounts (budgetary basis)		\$ 2,000
Differences budget to GAAP		
Prior Year Deferral		3,078
Current Year Deferral		(5,077)
Total Revenues (GAAP Basis)		<u>\$ 1</u>
 Uses/Outflows of Resources		
Actual amounts (budgetary basis)		\$ 1
Differences-budget to GAAP		
Total Expenditures (GAAP Basis)		<u>\$ 1</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 - MICROSOFT SETTLEMENT FUNDS - 26170

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ -	\$ 13,025	\$ -	\$ (13,025)
TOTAL REVENUE	-	13,025	-	(13,025)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 13,025		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 13,025	\$ 13,024	\$ 1
TOTAL EXPENDITURES	\$ -	\$ 13,025	\$ 13,024	\$ 1

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	13,024
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 13,024

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 13,024
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	\$ 13,024

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 -2009 DUAL CREDIT INSTRUCTIONAL MATERIALS - 27103

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 4,000	\$ 589	\$ (3,411)
TOTAL REVENUE	-	4,000	589	(3,411)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 4,000		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 4,000	\$ 589	\$ 3,411
Support Services				
Students	-	1,029	-	1,029
TOTAL EXPENDITURES	\$ -	\$ 5,029	\$ 589	\$ 4,440

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 589
Differences budget to GAAP	-
Prior Year Deferral	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ 589

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 589
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 589

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 GO LIBRARY BONDS - 27105

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 9,645	\$ -	\$ (9,645)
TOTAL REVENUE	-	9,645	-	(9,645)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	-	9,645		
EXPENDITURES				
Current				
Support Services - Instruction	\$ -	\$ 9,645	\$ -	\$ 9,645
TOTAL EXPENDITURES	-	9,645	-	9,645

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	-
Total Revenues (GAAP Basis)	\$ -

Uses/Outflows of Resources

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

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ 7,330	\$ 7,522	\$ 2,940	\$ (4,582)
TOTAL REVENUE	<u>7,330</u>	<u>7,522</u>	<u>\$ 2,940</u>	<u>\$ (4,582)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 7,330</u>	<u>\$ 7,522</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Instruction	7,330	7,522	6,543	979
General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 7,522</u>	<u>\$ 6,543</u>	<u>\$ 979</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,940
Differences budget to GAAP	
Prior Year deferral	4,618
Current Year deferral	(1,015)
Total Revenues (GAAP Basis)	<u>\$ 6,543</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 6,543
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6,543</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 4,116	\$ 805	\$ (3,311)
TOTAL REVENUE	-	4,116	805	(3,311)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 4,116		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 4,116	\$ 4,116	\$ -
TOTAL EXPENDITURES	\$ -	\$ 4,116	\$ 4,116	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 805
Differences budget to GAAP	
Prior Year Deferral	3,311
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 4,116

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 4,116
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 4,116

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 3,204	\$ 3,203	\$ (1)
TOTAL REVENUE	-	3,204	<u>3,203</u>	<u>(1)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,204</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 9,294	\$ -	\$ 9,294
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 9,294</u>	<u>\$ -</u>	<u>\$ 9,294</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 3,203
Differences budget to GAAP	
Prior Year Deferral	6,089
Current Year Deferral	(9,292)
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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 755	\$ 897	\$ 142
TOTAL REVENUE	<u>-</u>	<u>755</u>	<u>897</u>	<u>142</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 755</u>		
EXPENDITURES				
Current				
Support Services - Instruction	\$ -	\$ 755	\$ -	\$ 755
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 755</u>	<u>\$ -</u>	<u>\$ 755</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 897
Differences budget to GAAP	
Prior Year Receivable	(8,967)
Current Year Receivable	8,070
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 - STATE DIRECTED ACTIVITIES - 27200

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 71,560	\$ 30,776	\$ (40,784)
TOTAL REVENUE	-	71,560	30,776	(40,784)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 71,560		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 71,560	\$ 71,560	\$ -
TOTAL EXPENDITURES	\$ -	\$ 71,560	\$ 71,560	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 30,776
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	40,784
Total Revenues (GAAP Basis)	\$ 71,560

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 71,560
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	\$ 71,560

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ 1,316	\$ 1,316	\$ -	\$ (1,316)
TOTAL REVENUE	1,316	1,316	-	(1,316)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 1,316	\$ 1,316		
EXPENDITURES				
Current				
Support Services - Instruction	\$ 1,316	\$ 1,316	\$ 498	\$ 818
TOTAL EXPENDITURES	\$ 1,316	\$ 1,316	\$ 498	\$ 818

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	1,316
Current Year Deferral	(818)
Total Revenues (GAAP Basis)	\$ 498

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 498
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	\$ 498

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 500	\$ 500	\$ -
TOTAL REVENUE	-	500	500	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 500		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 500	\$ 500	\$ -
TOTAL EXPENDITURES	\$ -	\$ 500	\$ 500	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 500
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ 500

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 500
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 500

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ -	\$ 17,334	\$ 10,000	\$ (7,334)
TOTAL REVENUE	-	17,334	10,000	(7,334)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 17,334		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 17,334	\$ 8,748	\$ 8,586
TOTAL EXPENDITURES	\$ -	\$ 17,334	\$ 8,748	\$ 8,586

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 10,000
Differences budget to GAAP	
Prior Year Deferral	8,333
Current Year Deferral	(9,585)
Total Revenues (GAAP Basis)	\$ 8,748

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 8,748
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	\$ 8,748

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

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, 2010

	<u>Balance June 30, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2010</u>
ASSETS				
High School	\$ 125,780	\$ 659,170	\$ 656,437	\$ 128,513
Middle School	3,239	3,825	4,836	2,228
Elementary School	3,336	13,854	15,285	1,905
Administration	291	959	1,211	39
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Pooled Cash and Investments	<u>\$ 132,646</u>	<u>\$ 677,808</u>	<u>\$ 677,769</u>	<u>\$ 132,685</u>
LIABILITIES				
Deposits held for others	<u>\$ 132,646</u>	<u>\$ 677,808</u>	<u>\$ 677,769</u>	<u>\$ 132,685</u>

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
SCHEDULE OF PLEDGED COLLATERAL
June 30, 2010

	<u>James Polk Stone National Bank</u>
Cash on Deposit at June 30, 2010	\$ 1,140,189
Less FIDC Coverage	<u>250,000</u>
Uninsured Funds	890,189
50% Collateral Requirement	<u>445,095</u>
Amount Requiring Pledged Collateral	445,095
Pledged Collateral	<u>518,062</u>
Excess of Pledged Collateral	<u>\$ 72,968</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			
FNMA Call Only 10/19/10	41262	3136FJGV7	\$ 100,437
FHLB Non Call FR	6/10/11	3133XFJY3	<u>417,625</u>
Total James Polk Stone National Bank			<u>\$ 518,062</u>

The above securities are held by The Texas Independent Bankers

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
Cash Reconciliation
June 30, 2010

	Beginning Cash	Receipts	Distributions	Other
Hagerman Municipal Schools				
Operational Account	\$ 753,955	\$ 3,556,298	\$ (3,696,193)	\$ (91,000)
Transportation	-	231,787	(231,787)	-
Instructional Materials	13,034	18,118	(12,055)	-
Food Services	11,279	239,998	(198,820)	-
Athletics	12,149	17,579	(18,238)	-
Federal Flowthrough	(67,469)	483,162	(552,617)	-
Federal Direct	55,527	388,278	(377,313)	91,000
Local Grants Fund	16,101	2,000	(13,025)	-
State Flowthrough	6,367	39,210	(83,305)	-
State Direct	-	500	(500)	-
Local/State	8,333	10,000	(8,748)	-
Bond Building	232,671	400,332	(286,225)	-
Special Capital Outlay - State	-	-	-	-
Capital Improvement SB-9	162,020	154,009	(154,632)	-
PSCOC 20%	-	-	-	-
Debt Service	204,643	207,749	(186,062)	-
Student Activities	132,646	677,808	(677,769)	-
Total Hagerman Municipal	\$ 1,541,256	\$ 6,426,828	\$ (6,497,289)	\$ -

Account Name	Account Type	Bank Name	Bank Amount
Hagerman Municipal Schools			
Operational	Checking	James Polk Stone	\$ 194,161
Food Services	Checking	James Polk Stone	52,457
Athletic Fund	Checking	James Polk Stone	4,866
Federal Projects	Checking	James Polk Stone	112,028
Building Fund	Checking	James Polk Stone	327,393
Activity Fund	Checking	James Polk Stone	122,159
Debt Service	Checking	James Polk Stone	207,959
Capital Improvements	Checking	James Polk Stone	119,166
Total Hagerman Municipal Schools			\$ 1,140,189
Multi Fund	CD	NM State Treas	493,574
Total Bank Balances			\$ 1,633,763
Reconciling Items			(162,968)
Report Balance			\$ 1,470,795

Net Cash end of Period	Adjustments to the report	Total Cash on Report
\$ 523,060	\$ -	\$ 523,060
-	-	-
19,097	-	19,097
52,457	-	52,457
11,490	-	11,490
(136,924)	-	(136,924)
157,492	-	157,492
5,076	-	5,076
(37,728)	-	(37,728)
-	-	-
9,585	-	9,585
346,778	-	346,778
-	-	-
161,397	-	161,397
-	-	-
226,330	-	226,330
132,685	-	132,685
<u>\$ 1,470,795</u>	<u>\$ -</u>	<u>\$ 1,470,795</u>

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition - Cluster:</u>			
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Public Education Department:			
USDA National School Lunch Program	10.555	21000	<u>\$ 224,118</u>
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>13,200</u>
Total U.S. Department of Agriculture			<u>237,318</u>
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Public Education Department:			
Title I	84.010	24101	232,484
Title I, Migrant	84.011	24103	29,726
IDEA-B Entitlement	84.027	24106	122,031
IDEA-B Preschool	84.173	24109	6,573
IDEA-B Risk Pool	84.027	24120	1,215
Title II Teacher Principal Training	84.367	24154	37,313
Title IV	84.186	24157	3,152
Title I Federal Stimulus	84.389	24201	117,744
Preschool Federal Stimulus	84.392	24209	2,377
Title Xix Medicaid 3/21	93.778	25153	25,022
REAP	84.358	25233	12,012
SEG Federal Stimulus	84.394	25250	340,279
State Directed Activities	84.391	27200	<u>71,560</u>
Total Pass Through Grants			<u>1,001,488</u>
Total Federal Awards Expenditures			<u>\$ 1,238,806</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.

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
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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, and the aggregate remaining fund information, the budgetary comparisons for the general fund and the combining and individual funds and budgetary comparisons presented as supplemental information of Hagerman Municipal School as of and for the year ended June 30, 2010, and have issued our report thereon dated October 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

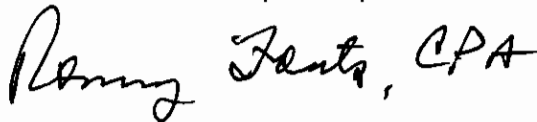
Compliance and Other Matters

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 disclose one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16 and Section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and responses as finding 10-01.

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

This report is intended solely for the information and use of management, others within the agency, the audit committee, the State Auditor, the New Mexico Legislature, 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 with a large initial "R".

Ronny Fouts, CPA
Melrose, New Mexico
October 14, 2010

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

Independent Auditor's Report

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 *OMB Circular A-133 Compliance Supplement* could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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, 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hagerman Municipal School's internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Education, Audit Committee, Management, the New Mexico State Legislature, Public Education Department, the Office of the New Mexico State Auditor, 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 14, 2010

STATE OF NEW MEXICO
HAGERMAN MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010

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	SEG Federal Stimulus CFDA#84.394
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified
<u>II. FEDERAL PROGRAM FINDINGS:</u>	None

III. FINANCIAL STATEMENT FINDINGS:

HAGERMAN MUNICIPAL SCHOOL

III. SUMMARY OF PRIOR AUDIT FINDINGS

Late Audit Report Repeated

IV. CURRENT FINDINGS

Late Audit Report 10-01

None

Condition

The audit report was filed by the due date of November 15, 2010, 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, 2010

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, 2010

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.

EXIT CONFERENCE

An exit conference, to discuss the contents of this report, was held on October 14, 2010. In attendance were Mr. Steve Starkey, Superintendent; Chad Hamill, Board President; Audit Committee Members, Justin Gossett, Lois Stephens, Cheryl Andrews, Director of Business and Finance; and Ronny Fouts, CPA.

Ronny Fouts, CPA