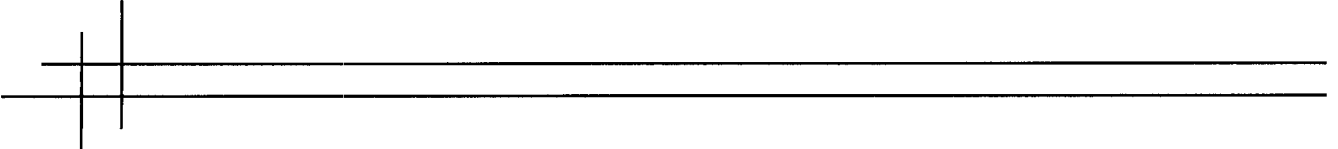




**STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50**

ANNUAL FINANCIAL REPORT
June 30, 2008

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



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HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
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STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Official Roster
For the Year Ended June 30, 2008

BOARD OF EDUCATION

Carl Parmer	President
Rachelle Moon	Vice-President
Bill Noland	Secretary
Senith Block	Member
Hilous Hargrove	Member

SCHOOL OFFICIALS

Donna McGee	Superintendent
Marsha Stowe	Business Manager

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50

Mr. Balderas and Members of the Board

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50, (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's non major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2008, and the respective changes in financial position, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

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

De'Ann Willoughby CPA PC

November 4, 2008

FINANCIAL SECTION

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 324,633
Taxes Receivable	421
Due from Grantor	37,405
Inventory	990
Total Current Assets	<u>363,449</u>
Noncurrent Assets	
Capital Assets	4,335,331
Less: Accumulated Depreciation	<u>(1,795,821)</u>
Total Noncurrent Assets	<u>2,539,510</u>
Total Assets	<u>2,902,959</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>12,756</u>
Total Current Liabilities	<u>12,756</u>
Total Liabilities	<u>12,756</u>
NET ASSETS	
Invested in Capital Assets	2,539,510
Unrestricted	350,693
Total Net Assets	<u>\$ 2,890,203</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities					
Instruction	\$ 1,240,043	\$ 0	\$ 193,103	\$ 0	\$ (1,046,940)
Support Services-Instruction	114,360	0	0	0	(114,360)
Support Services-Students	8,232	5,684	0	0	(2,548)
General Administration	124,917	0	0	0	(124,917)
Central Services	53,633	0	0	0	(53,633)
Operation of Plant	209,525	0	0	0	(209,525)
Student Transportation	213,518	0	213,518	0	0
Teacherage	1,719	0	0	0	(1,719)
Food Services Operations	89,081	11,551	17,648	0	(59,882)
Total Governmental Activities	\$ 2,055,028	\$ 17,235	\$ 424,269	\$ 0	\$ (1,613,524)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes				\$	4,042
Property Taxes, Levied for Debt Service					60
Property Taxes, Levied for Capital Projects					87,598
Federal and State aid not restricted to specific purpose					1,425,875
General					901
Interest and investment earnings					7,520
Miscellaneous					<u>1,525,996</u>
Subtotal, General Revenues					
Change in Net Assets					(87,528)
Net Assets - beginning					<u>2,977,731</u>
Net Assets - ending					<u>\$ 2,890,203</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
Cash and Cash Equivalents	\$ 39,790	\$ 5,467	\$ 0	\$ 0
Receivables				
Taxes	79	0	0	0
Interfund Balances	37,405	0	0	0
Due From Grantor	0	0	2,747	0
Inventory	0	0	0	0
Total Assets	\$ 77,274	\$ 5,467	\$ 2,747	\$ 0
LIABILITIES AND FUND BALANCE				
Liabilities				
Interfund Balances	\$ 0	\$ 0	\$ 2,747	\$ 0
Accounts Payable	8,422	0	0	0
Total Liabilities	8,422	0	2,747	0
Fund Balances				
Unreserved, Undesignated, reported in:				
General	68,852	5,467	0	0
Special Revenue	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Total Fund Balances	68,852	5,467	0	0
Total Liabilities and Fund Balances	\$ 77,274	\$ 5,467	\$ 2,747	\$ 0

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	Title I 24101	IDEA B Discretionary 24107	Distant Education Legislation 27165	Florida Power & Light 29129
ASSETS				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 244,972
Receivables				
Taxes	0	0	0	0
Interfund Balances	0	0	0	0
Due From Grantor	7,870	8,799	9,831	0
Inventory	0	0	0	0
Total Assets	\$ 7,870	\$ 8,799	\$ 9,831	\$ 244,972
LIABILITIES AND FUND BALANCE				
Liabilities				
Interfund Balances	\$ 7,870	\$ 8,799	\$ 9,831	\$ 0
Accounts Payable	0		0	690
Total Liabilities	7,870	8,799	9,831	690
Fund Balances				
Unreserved, Undesignated, reported in:				
General	0	0	0	0
Special Revenue	0	0	0	244,282
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Total Fund Balances	0	0	0	244,282
Total Liabilities and Fund Balances	\$ 7,870	\$ 8,799	\$ 9,831	\$ 244,972

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and Cash Equivalents	\$ 34,404	\$ 324,633
Receivables		
Taxes	342	421
Interfund Balances	0	37,405
Due From Grantor	8,158	37,405
Inventory	990	990
Total Assets	<u>\$ 43,894</u>	<u>\$ 400,854</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balances	\$ 8,158	\$ 37,405
Accounts Payable	<u>3,644</u>	<u>12,756</u>
Total Liabilities	<u>11,802</u>	<u>50,161</u>
 Fund Balances		
Unreserved, Undesignated, reported in:		
General	0	74,319
Special Revenue	16,500	260,782
Capital Outlay	15,344	15,344
Debt Service	<u>248</u>	<u>248</u>
Total Fund Balances	<u>32,092</u>	<u>350,693</u>
 Total Liabilities and Fund Balances	 <u>\$ 43,894</u>	 <u>\$ 400,854</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2008

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

Total Fund Balance - Governmental Funds		\$	350,693
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
	The cost of capital assets	\$	4,335,331
	Accumulated depreciation is		<u>(1,795,821)</u>
			<u>2,539,510</u>
Total net assets - governmental activities		\$	<u><u>2,890,203</u></u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2008

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
Revenues				
Fees	\$ 1,157	\$ 0	\$ 0	\$ 0
Property Taxes	4,042	0	0	0
Investment Income	647	0	0	0
Federal Grants	0	0	0	0
State and Local Grants	1,425,875	0	213,518	11,625
Miscellaneous	5,120	2,400	0	0
Total Revenues	1,436,841	2,400	213,518	11,625
Expenditures				
Current				
Instruction	919,185	0	0	10,475
Support Service-Students	114,360	0	0	0
Support Service-Instruction	7,082	0	0	1,150
Support Services-General Administration	123,003	0	0	0
Central Services	53,633	0	0	0
Operation & Maintenance of Plant	182,553	0	0	0
Transportation	0	0	213,518	0
Other Support Services	0	0	0	0
Teacherage	0	0	0	0
Food Services	56,584	0	0	0
Capital Outlay	15,135	0	0	0
Total Expenditures	1,471,535	0	213,518	11,625
Net Changes in Fund Balance	(34,694)	2,400	0	0
Fund Balances at Beginning of Year	103,546	3,067	0	0
Fund Balance End of Year	\$ 68,852	\$ 5,467	\$ 0	\$ 0

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Change
in Fund Balance
For the Year Ended June 30, 2008

	Title I 24101	IDEA B Discretionary 24107	Distant Education Legislation 27165	Florida Power & Light 29129
Revenues				
Fees	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes	0	0	0	0
Investment Income	0	0	0	0
Federal Grants	12,834	26,201	0	0
State and Local Grants	0	0	10,909	68,591
Miscellaneous	0	0	0	0
Total Revenues	<u>12,834</u>	<u>26,201</u>	<u>10,909</u>	<u>68,591</u>
Expenditures				
Current				
Instruction	12,834	26,201	10,909	35,668
Support Service-Students	0	0	0	0
Support Service-Instruction	0	0	0	0
Support Services-General Administration	0	0	0	0
Central Services	0	0	0	0
Operation & Maintenance of Plant	0	0	0	0
Transportation	0	0	0	0
Other Support Services	0	0	0	0
Teacherage	0	0	0	0
Food Services	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>12,834</u>	<u>26,201</u>	<u>10,909</u>	<u>35,668</u>
Net Changes in Fund Balance	0	0	0	32,923
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>211,359</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 244,282</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Change
in Fund Balance
For the Year Ended June 30, 2008

	Other Governmental Funds	Total Governmental Funds
Revenues		
Fees	\$ 16,078	\$ 17,235
Property Taxes	17,208	21,250
Investment Income	254	901
Federal Grants	70,756	109,791
State and Local Grants	80,285	1,810,803
Miscellaneous	0	7,520
Total Revenues	<u>184,581</u>	<u>1,967,500</u>
Expenditures		
Current		
Instruction	69,345	1,084,617
Support Service-Students	0	114,360
Support Service-Instruction	0	8,232
Support Services-General Administration	169	123,172
Central Services	0	53,633
Operation & Maintenance of Plant	9,503	192,056
Transportation	0	213,518
Other Support Services	0	0
Teacherage	0	0
Food Services	31,385	87,969
Capital Outlay	86,290	101,425
Total Expenditures	<u>196,692</u>	<u>1,978,982</u>
Net Changes in Fund Balance	(12,111)	(11,482)
Fund Balances at Beginning of Year	<u>44,203</u>	<u>362,175</u>
Fund Balance End of Year	<u>\$ 32,092</u>	<u>\$ 350,693</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 to the Statement of Activities
 For the Year Ended June 30, 2008

Net Change in Fund Balance-Governmental Funds \$ (11,482)

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

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

	\$	(177,471)	
Depreciation expense		101,425	<u>(76,046)</u>
Capital Outlays		<u>101,425</u>	<u>(76,046)</u>
Change in Net Assets of Governmental Activities	\$		<u><u>(87,528)</u></u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 3,915	\$ 3,915	\$ 3,993	\$ 78
Investment Income	4,500	4,500	648	(3,852)
Fees	0	0	1,157	1,157
Other Revenue	15,500	15,500	5,121	(10,379)
State Grants	1,416,340	1,416,340	1,425,875	9,535
Total Revenues	<u>1,440,255</u>	<u>1,440,255</u>	<u>1,436,794</u>	<u>(3,461)</u>
Expenditures				
Instruction				
Personnel Services	717,005	672,189	658,460	13,729
Employee Benefits	205,775	196,653	185,557	11,096
Professional & Tech Services	15,000	7,400	6,752	648
Purchased Services	13,250	32,152	30,444	1,708
Supplies	14,500	47,108	40,086	7,022
Total Instruction	<u>965,530</u>	<u>955,502</u>	<u>921,299</u>	<u>34,203</u>
Support Services-Students				
Personnel Services	41,632	41,632	41,632	0
Employee Benefits	25,077	24,787	23,037	1,750
Professional & Tech Services	46,850	45,574	38,604	6,970
Purchased Services	1,000	1,255	1,199	56
Supplies	11,000	12,311	9,466	2,845
Support Services-Students	<u>125,559</u>	<u>125,559</u>	<u>113,938</u>	<u>11,621</u>
Support Services-Instruction				
Purchased Services	12,741	12,741	7,082	5,659
Support Services-Students	<u>\$ 12,741</u>	<u>\$ 12,741</u>	<u>\$ 7,082</u>	<u>\$ 5,659</u>
Support Services-General Administration				
Personnel Services	\$ 73,729	\$ 88,567	\$ 88,567	\$ 0
Employee Benefits	23,449	12,411	10,425	1,986
Professional & Tech Services	16,717	18,032	17,640	392
Purchased Services	4,700	4,585	3,165	1,420
Supplies	11,723	6,723	3,655	3,068
Total Support Services- General Administration	<u>130,318</u>	<u>130,318</u>	<u>123,452</u>	<u>6,866</u>

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Central Services				
Personnel Services	44,100	37,100	37,100	0
Employee Benefits	9,252	9,253	7,828	1,425
Purchased Services	1,750	1,800	1,705	95
Supplies	750	7,750	7,000	750
Total Central Services	<u>55,852</u>	<u>55,903</u>	<u>53,633</u>	<u>2,270</u>
Operation & Maintenance of Plant				
Personnel Services	40,001	46,931	33,810	13,121
Employee Benefits	11,980	11,980	11,980	0
Professional & Tech Services	150	150	47	103
Purchased Property Services	62,300	78,637	75,912	2,725
Purchased Services	28,800	28,800	28,450	350
Supplies	10,750	14,291	13,927	364
Supply Assets	18,200	18,200	18,192	8
Total Operation & Maintenance of Plant	<u>172,181</u>	<u>198,989</u>	<u>182,318</u>	<u>16,671</u>
Food Service Operations				
Personnel Services	30,872	31,297	31,278	19
Employee Benefits	25,357	24,933	24,677	256
Purchased Services	1,770	1,770	190	1,580
Supplies	500	499	239	260
Total Food Services Operations	<u>58,499</u>	<u>58,499</u>	<u>56,384</u>	<u>2,115</u>
Capital Outlay				
Property	0	15,135	15,135	0
Total Capital Outlay	<u>0</u>	<u>15,135</u>	<u>15,135</u>	<u>0</u>
Total Expenditures	\$ <u>1,520,680</u>	\$ <u>1,552,646</u>	\$ <u>1,473,241</u>	\$ <u>79,405</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(80,425)</u>	\$ <u>(112,391)</u>	\$ <u>(36,447)</u>	\$ <u>75,944</u>
Other Financing Sources (Uses)				
Loans to Other Funds	0	0	26,258	26,258
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>26,258</u>	<u>26,258</u>
Net Change in Fund Balance	(80,425)	(112,391)	(10,189)	102,202

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	<u>Original</u>	<u>Final</u>		
Cash Balance Beginning of Year	<u>87,384</u>	<u>87,384</u>	<u>87,384</u>	<u>0</u>
Cash Balance End of Year	\$ <u>6,959</u>	\$ <u>(25,007)</u>	\$ <u>77,195</u>	\$ <u>102,202</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (36,447)	
Net Change in Taxes Receivable			49	
Net Change in Accounts Payable			<u>1,704</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(34,694)</u>	

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Rentals	\$ 2,400	\$ 2,400	\$ 2,400	\$ 0
Total Local Sources	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Total Revenues	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Expenditures				
Teacherage				
Supplies	5,404	5,404	0	5,404
Total Pupil Transportation	<u>5,404</u>	<u>5,404</u>	<u>0</u>	<u>5,404</u>
Total Expenditures	<u>5,404</u>	<u>5,404</u>	<u>0</u>	<u>5,404</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,004)	(3,004)	2,400	5,404
Cash Balance Beginning of Year	<u>3,067</u>	<u>3,067</u>	<u>3,067</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 5,467</u>	<u>\$ 5,404</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>2,400</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,400</u>	

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STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Restricted Grants	\$ 210,772	\$ 213,519	\$ 210,772	\$ (2,747)
Total State Sources	<u>210,772</u>	<u>213,519</u>	<u>210,772</u>	<u>(2,747)</u>
Total Revenues	<u>210,772</u>	<u>213,519</u>	<u>210,772</u>	<u>(2,747)</u>
Expenditures				
Pupil Transportation				
Personnel Services	42,725	56,710	56,710	0
Employee Benefits	38,080	37,104	37,104	0
Purchased Property Services	33,440	44,943	44,943	0
Other Purchased Services	87,941	68,419	68,419	0
Supplies	5,807	6,343	6,343	0
Total Pupil Transportation	<u>207,993</u>	<u>213,519</u>	<u>213,519</u>	<u>0</u>
Total Expenditures	<u>207,993</u>	<u>213,519</u>	<u>213,519</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,779	0	(2,747)	(2,747)
Cash Balance Beginning of Year		0	0	0
Cash Balance End of Year	<u>\$ 2,779</u>	<u>\$ 0</u>	<u>\$ (2,747)</u>	<u>\$ (2,747)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,747)	
Net Change in Due from Grantor			<u>2,747</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Restricted Grants	\$ 10,705	\$ 11,626	\$ 11,625	\$ (1)
Total State Sources	<u>10,705</u>	<u>11,626</u>	<u>11,625</u>	<u>(1)</u>
Total Revenues	<u>10,705</u>	<u>11,626</u>	<u>11,625</u>	<u>(1)</u>
Expenditures				
Instruction				
Supplies	<u>9,838</u>	<u>10,475</u>	<u>10,475</u>	<u>0</u>
Total Instruction	<u>9,838</u>	<u>10,475</u>	<u>10,475</u>	<u>0</u>
Support Services Instruction				
Supplies	<u>867</u>	<u>1,151</u>	<u>1,150</u>	<u>1</u>
Total Support Services Instruction	<u>867</u>	<u>1,151</u>	<u>1,150</u>	<u>1</u>
Total Expenditures	<u>10,705</u>	<u>11,626</u>	<u>11,625</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 15,557	\$ 15,749	\$ 7,878	\$ (7,871)
Total Federal Sources	<u>15,557</u>	<u>15,749</u>	<u>7,878</u>	<u>(7,871)</u>
Total Revenues	<u>15,557</u>	<u>15,749</u>	<u>7,878</u>	<u>(7,871)</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	12,643	12,835	12,834	1
Total Instruction	<u>12,643</u>	<u>12,835</u>	<u>12,834</u>	<u>1</u>
Total Expenditures	<u>12,643</u>	<u>12,835</u>	<u>12,834</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	2,914	2,914	(4,956)	(7,870)
Cash Balance Beginning of Year	<u>(2,914)</u>	<u>(2,914)</u>	<u>(2,914)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(7,870)</u>	\$ <u>(7,870)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,956)	
Net Change in Due from Grantor			<u>4,956</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-IDEA B, DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 26,741	\$ 28,228	\$ 17,403	\$ (10,825)
Total Federal Sources	<u>26,741</u>	<u>28,228</u>	<u>17,403</u>	<u>(10,825)</u>
Total Revenues	<u>26,741</u>	<u>28,228</u>	<u>17,403</u>	<u>(10,825)</u>
Expenditures				
Instruction				
Personnel Services	15,494	15,494	15,492	2
Employee Benefits	11,247	12,734	10,710	2,024
Total Instruction	<u>26,741</u>	<u>28,228</u>	<u>26,202</u>	<u>2,026</u>
Total Expenditures	<u>26,741</u>	<u>28,228</u>	<u>26,202</u>	<u>2,026</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(8,799)	(8,799)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,799)</u>	<u>\$ (8,799)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,799)	
Net Change in Due from Grantor			<u>8,799</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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STATE OF NEW MEXICO

HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50

SPECIAL REVENUE FUND-DISTANT EDUCATION LEGISLATION-27165

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget (Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 0	\$ 10,909	\$ 1,078	\$ (9,831)
Total Federal Sources	<u>0</u>	<u>10,909</u>	<u>1,078</u>	<u>(9,831)</u>
Total Revenues	<u>0</u>	<u>10,909</u>	<u>1,078</u>	<u>(9,831)</u>
Expenditures				
Instruction				
Supplies	0	10,909	10,909	0
Total Instruction	<u>0</u>	<u>10,909</u>	<u>10,909</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>10,909</u>	<u>10,909</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,831)	(9,831)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,831)</u>	<u>\$ (9,831)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,831)	
Net Change in Due from Grantor			<u>9,831</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

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STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-Florida Power & Light-29129
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Private Grant	\$ 50,627	\$ 46,627	\$ 68,591	\$ 21,964
Total Local Sources	<u>50,627</u>	<u>46,627</u>	<u>68,591</u>	<u>21,964</u>
Total Revenues	<u>50,627</u>	<u>46,627</u>	<u>68,591</u>	<u>21,964</u>
Expenditures				
Instruction				
Professional & Tech Services	75,500	75,500	8,580	66,920
Other Purchased Services	143,000	128,000	28,412	99,588
Supplies	45,500	55,500	0	55,500
Property	0	1,000	0	1,000
Total Instruction	<u>264,000</u>	<u>260,000</u>	<u>36,992</u>	<u>223,008</u>
Total Expenditures	<u>264,000</u>	<u>260,000</u>	<u>36,992</u>	<u>223,008</u>
Excess (Deficiency) of Revenues Over Expenditures	(213,373)	(213,373)	31,599	244,972
Cash Balance Beginning of Year	<u>213,373</u>	<u>213,373</u>	<u>213,373</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>244,972</u>	\$ <u>244,972</u>

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ 31,599
Net Change in Accounts Payable	1,324
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	\$ <u>32,923</u>

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

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
June 30, 2008

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>42,678</u>
Total Assets	\$ <u><u>42,678</u></u>
Liabilities	
Deposits Held for Others	\$ <u>42,678</u>
Total Liabilities	\$ <u><u>42,678</u></u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. Some of the significant changes in the Statement include the following:

- Financial Statements prepared using full-accrual accounting for all the District's activities.
- A change in fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2008.

In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not have an impact on the results of operations or the financial position of the District.

Financial Reporting Entity

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

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

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

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

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

Governmental Funds

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

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

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

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

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

Fiduciary Fund Type

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

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

Major Funds

The District reports the following major governmental funds:

GENERAL FUND (11000)(12000)(13000)(14000)

The General Fund consist of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage Fund is to provide teachers affordable housing to entice them to teach there. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

SPECIAL REVENUE FUND
Title I (24101)

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

Discretionary (24107)

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

Distant Education Legislation (27165)

To account for funds received from the New Mexico Public Education Department for improving education in rural areas of New Mexico, based on the concept of holistic community revitalization and the inclusion of economic development with significant school involvement.

Florida Power & Light (29129)

To account for resources and expenditures from a non-profit organization, Parents Reaching Out for the purpose of development and implementation of the School Parent Community Involvement Plan. The fund was created by grant provisions.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

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

Fund Financial Statements (FFS)

Governmental Funds

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

Revenues

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

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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

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

Investments

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

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

Inventories and Prepaid Items

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

Capital Assets

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

Capital expenditures made on the school district's building construction projects by the NM Public School Facilities Authority are appropriately included in the school district's capital assets disclosures and financial statements.

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

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

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet. There are no outstanding Capital Leases.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

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

Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

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

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Deferred Revenue

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

Compensated Absences

The District contracts all employees on an annual basis. A terminated employee is paid through the date of dismissal in accordance with their contract. Due to this practice, there are no compensated absences accrued.

Estimates

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

NOTE B: CASH AND INVESTMENTS

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

Citizens Bank	Balance Per Bank 06-30-08	Reconciled Balance	Type
<u>Name of Account</u>	\$	\$	
Operational	185,126	114,496	Checking
Fund Accounts	921	679	Checking
Budgeted Activities	4,408	4,340	Checking
Lunch Fund	5,798	5,798	Checking
Payroll Clearing	123,141	0	Checking
House Schools	75,000	75,000	CD
House Schools	7,000	7,000	CD
House Schools	115,000	115,000	CD
House Schools	5,000	5,000	CD
House Schools	5,000	5,000	CD
House Schools	35,000	35,000	CD
TOTAL Deposited	<u>561,394</u>	<u>\$ 367,313</u>	
Less: FDIC Coverage	<u>(200,000)</u>		
Uninsured Amount	361,394		
50% collateral requirement	180,697		
Pledged securities	<u>304,740</u>		
Over (Under) requirement	<u>\$ 124,043</u>		

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

The following securities are pledged at **Citizens Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
U.S. Treasury Note	3136F7BE6	304,740	06/21/2010	Amarillo, TX
		<u>\$ 304,740</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 200,000
Collateralized:	
Collateral held by the pledging bank in District's name	304,740
Uninsured and uncollateralized	56,654
Total Deposits	<u>\$ 561,394</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2008 none of the District's bank balance of \$561,394 was exposed to custodial credit risk.

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds				
	Transportation Fund	Title I Fund	IDEA B Discretionary	Distant Education Legislation Fund	Non-Major Funds
General Fund	\$ 2,747	\$ 7,870	\$ 8,799	\$ 9,831	\$ 8,158
Totals	\$ 2,747	\$ 7,870	\$ 8,799	\$ 9,831	\$ 8,158

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2008:

	General	Non-Major Funds	Total
Property Taxes Receivable:			
Available	\$ 79	342	421
Unavailable	0	0	0
TOTAL Property Taxes Receivable	\$ 79	\$ 342	\$ 421

NOTE E: DEFERRED REVENUES

For the year ended June 30, 2008 there were no deferred revenues.

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2008, is as follows:

	Balance 6/30/07	Additions	Deletions	Balance 6/30/08
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 7,875	\$ 0	\$ 0	\$ 7,875
Total Capital Assets not being Depreciated	7,875	0	0	7,875
Capital Assets, being Depreciated				
Buildings & Improvements	3,719,987	0	0	3,719,987
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	506,044	101,425	0	607,469
Total Capital Assets, being Depreciated	4,226,031	101,425	0	4,327,456
Total Capital Assets	4,233,906	101,425	0	4,335,331

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

Less Accumulated Depreciation

Buildings & Improvements	1,319,178	127,708	0	1,446,886
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	299,172	49,763	0	348,935
Total Accumulated Depreciation	<u>1,618,350</u>	<u>177,471</u>	<u>0</u>	<u>1,795,821</u>
Capital Assets, net	\$ <u>2,615,556</u>	\$ <u>(76,046)</u>	\$ <u>0</u>	\$ <u>2,539,510</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 155,426
Support Services-General Administration	1,745
Operation & Maintenance of Plant	17,469
Food Services Operations	1,112
Teacherage	1,719
Total depreciation expenses	\$ <u>177,471</u>

NOTE G: COMMITMENTS

The District has no construction commitments at June 30, 2008.

NOTE H: PENSION PLAN

Substantially all of the 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 financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$168,643, \$175,380, and \$177,032, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE I: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

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

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$17,562, \$19,103 and \$19,982 , respectively, which equal the required contributions for each year.

NOTE J: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

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

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Notes to the Financial Statements
June 30, 2008

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

Reconciliations are located at the bottom of each budget actual.

NOTE K: INSURANCE COVERAGE

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

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

NOTE L: SURETY BOND

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

NOTE M: JOINT POWERS AGREEMENTS

A joint powers agreement was entered into by the Public School Capital Outlay Council, and the House Municipal Schools. The purpose of the agreement is to define and develop guidelines to identify outstanding serious deficiencies in public school buildings and grounds, to develop a methodology for prioritizing projects that will correct the deficiencies. "Deficiencies" mean a condition or conditions in public school buildings and grounds that may adversely affect the health or safety of students and school personnel.

The agreement will be effective upon signature and approval of the PSCOC and the School and shall terminate June 30, 2008.

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others. The REC is the fiscal agent and responsible for the audit.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC passed-through \$52,047, to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the REC funds were reported as revenues and expenditures in the following special revenue funds:

24106	IDEA, Part B Entitlement
24107	IDEA, Part B Discretionary

The financial statements for the REC were prepared by De'Aun Willoughby, CPA. The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR GOVERNMENT FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2008

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 15,510	\$ 18,646	\$ 248	\$ 34,404
Receivables				
Taxes	0	342	0	342
Due From Grantor	8,158	0	0	8,158
Inventory	990	0	0	990
Total Assets	<u>\$ 24,658</u>	<u>\$ 18,988</u>	<u>\$ 248</u>	<u>\$ 43,894</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Interfund Balance	\$ 8,158	\$ 0	\$ 0	\$ 8,158
Payables	0	3,644	0	3,644
Total Liabilities	<u>8,158</u>	<u>3,644</u>	<u>0</u>	<u>11,802</u>
Fund Balance				
Undesignated, reported in				
Special Revenue	16,500	0	0	16,500
Capital Improvements	0	15,344	0	15,344
Debt Service	0	0	248	248
Total Fund Balance	<u>16,500</u>	<u>15,344</u>	<u>248</u>	<u>32,092</u>
Total Liabilities and Fund Balance	<u>\$ 24,658</u>	<u>\$ 18,988</u>	<u>\$ 248</u>	<u>\$ 43,894</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures and Changes in
Fund Balance - By Fund Type
For the Year Ended June 30, 2008

	Special Revenue	Capital Projects	Debt Service	Total
Revenues				
Fees	\$ 16,078	\$ 0	\$ 0	\$ 16,078
Taxes	0	17,148	60	17,208
Investment Income	127	127	0	254
Federal Grants	70,756	0	0	70,756
State and Local Grants	9,835	70,450	0	80,285
Total Revenues	<u>96,796</u>	<u>87,725</u>	<u>60</u>	<u>184,581</u>
Expenditures				
Current				
Instruction	69,345	0	0	69,345
Support Service-General Administration	0	169	0	169
Operation and Maintenance of Plant	0	9,503	0	9,503
Food Service	31,385	0	0	31,385
Capital Outlay	0	86,290	0	86,290
Total Expenditures	<u>100,730</u>	<u>95,962</u>	<u>0</u>	<u>196,692</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,934)	(8,237)	60	(12,111)
Fund Balances at Beginning of Year	<u>20,434</u>	<u>23,581</u>	<u>188</u>	<u>44,203</u>
Fund Balance End of Year	<u><u>16,500</u></u>	<u><u>15,344</u></u>	<u><u>248</u></u>	<u><u>32,092</u></u>

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

NONMAJOR FUNDS

Food Services (21000)

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

Athletics (22000)

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

IDEA B, Entitlement (24106)

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

Title V-A (24150)

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

Rural Education Achievement Program (REAP) (25233)

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

Technology for Education (27117)

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

Beginning Teacher Mentoring Program (27154)

To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades six through eight. The fund was created by state grant provisions.

Library GO Bonds (27170)

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	<u>Food Service 21000</u>	<u>Athletics 22000</u>	<u>IDEA B, Entitlement 24106</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,798	\$ 9,340	\$ 0
Receivables			
Due From Grantor	0	0	747
Inventory	990	0	0
Total Assets	<u>\$ 6,788</u>	<u>\$ 9,340</u>	<u>\$ 747</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 747</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>747</u>
Fund Balance			
Undesignated, reported in			
Special Revenue	<u>6,788</u>	<u>9,340</u>	<u>0</u>
Total Fund Balance	<u>6,788</u>	<u>9,340</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 6,788</u>	<u>\$ 9,340</u>	<u>\$ 747</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	Title V-A 24150	REAP 25233	Technology For Education 27117
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	889	0	2,522
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 889</u>	<u>\$ 0</u>	<u>\$ 2,522</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	<u>\$ 889</u>	<u>\$ 0</u>	<u>\$ 2,522</u>
Total Liabilities	<u>889</u>	<u>0</u>	<u>2,522</u>
Fund Balance			
Undesignated, reported in			
Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 889</u>	<u>\$ 0</u>	<u>\$ 2,522</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	Beginning Teacher Mentoring 27154	Library GO Bonds 27170	Total
ASSETS			
Cash and Cash Equivalents	\$ 372	\$ 0	\$ 15,510
Receivables			
Due From Grantor	0	4,000	8,158
Inventory	0	0	990
Total Assets	<u>\$ 372</u>	<u>\$ 4,000</u>	<u>\$ 24,658</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 4,000	\$ 8,158
Total Liabilities	<u>0</u>	<u>4,000</u>	<u>8,158</u>
Fund Balance			
Undesignated, reported in Special Revenue	<u>372</u>	<u>0</u>	<u>16,500</u>
Total Fund Balance	<u>372</u>	<u>0</u>	<u>16,500</u>
Total Liabilities and Fund Balance	<u>\$ 372</u>	<u>\$ 4,000</u>	<u>\$ 24,658</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended June 30, 2008

	Food Service 21000	Athletics 22000	IDEA B, Entitlement 24106
Revenues			
Fees	\$ 11,551	\$ 4,527	\$ 0
Investment Income	0	127	0
Federal Grants	17,648	0	25,845
State and Local Grants	0	0	0
Total Revenues	<u>29,199</u>	<u>4,654</u>	<u>25,845</u>
Expenditures			
Current			
Instruction	0	6,774	25,845
Food Service	31,385	0	0
Total Expenditures	<u>31,385</u>	<u>6,774</u>	<u>25,845</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,186)	(2,120)	0
Fund Balances at Beginning of Year	<u>8,974</u>	<u>11,460</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,788</u>	<u>\$ 9,340</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended June 30, 2008

	Title V 24150	REAP 25233	Technology For Education 27117
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Federal Grants	1,027	26,236	0
State and Local Grants	0	0	4,500
Total Revenues	<u>1,027</u>	<u>26,236</u>	<u>4,500</u>
Expenditures			
Current			
Instruction	1,027	26,236	4,500
Food Service	0	0	0
Total Expenditures	<u>1,027</u>	<u>26,236</u>	<u>4,500</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended June 30, 2008

	Beginning Teacher Mentoring 27154	Library GO Bonds 27170	Total
Revenues			
Fees	\$ 0	\$ 0	\$ 16,078
Investment Income	0	0	127
Federal Grants	0	0	70,756
State and Local Grants	1,335	4,000	9,835
Total Revenues	<u>1,335</u>	<u>4,000</u>	<u>96,796</u>
Expenditures			
Current			
Instruction	963	4,000	69,345
Food Service	0	0	31,385
Total Expenditures	<u>963</u>	<u>4,000</u>	<u>100,730</u>
Excess (Deficiency) of Revenues Over Expenditures	372	0	(3,934)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>20,434</u>
Fund Balance End of Year	<u>\$ 372</u>	<u>\$ 0</u>	<u>\$ 16,500</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Fees	\$ 13,200	\$ 13,200	\$ 11,550	\$ (1,650)
Total Local Sources	<u>13,200</u>	<u>13,200</u>	<u>11,550</u>	<u>(1,650)</u>
Federal Sources				
National School Lunch Program	15,775	15,775	15,491	(284)
Total Federal Sources	<u>15,775</u>	<u>15,775</u>	<u>15,491</u>	<u>(284)</u>
Total Revenues	<u>28,975</u>	<u>28,975</u>	<u>27,041</u>	<u>(1,934)</u>
Expenditures				
Food Service Operations				
Supplies	37,350	37,350	29,793	7,557
Total Food Service Operations	<u>37,350</u>	<u>37,350</u>	<u>29,793</u>	<u>7,557</u>
Total Expenditures	<u>37,350</u>	<u>37,350</u>	<u>29,793</u>	<u>7,557</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,375)	(8,375)	(2,752)	5,623
Cash Balance Beginning of Year	<u>8,550</u>	<u>8,550</u>	<u>8,550</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 5,798</u>	<u>\$ 5,623</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,752)	
Net Change in Inventory			566	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,186)</u>	

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

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Fees-Activities	\$ 0	\$ 0	\$ 4,527	\$ 4,527
Investment Income	0	0	127	127
Total Local Sources	<u>0</u>	<u>0</u>	<u>4,654</u>	<u>4,654</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>4,654</u>	<u>4,654</u>
Expenditures				
Other Support Services				
Instruction	6,000	8,500	6,774	1,726
Total Other Support Services	<u>6,000</u>	<u>8,500</u>	<u>6,774</u>	<u>1,726</u>
Total Expenditures	<u>6,000</u>	<u>8,500</u>	<u>6,774</u>	<u>1,726</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,000)	(8,500)	(2,120)	6,380
Cash Balance Beginning of Year	<u>11,460</u>	<u>11,460</u>	<u>11,460</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,460</u>	<u>\$ 2,960</u>	<u>\$ 9,340</u>	<u>\$ 6,380</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(2,120)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(2,120)</u>	

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-IDEA B, ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 25,845	\$ 25,845	\$ 25,098	\$ (747)
Total Federal Sources	<u>25,845</u>	<u>25,845</u>	<u>25,098</u>	<u>(747)</u>
Total Revenues	<u>25,845</u>	<u>25,845</u>	<u>25,098</u>	<u>(747)</u>
Expenditures				
Instruction				
Personnel Services	16,060	16,060	16,060	0
Employee Benefits	9,785	9,785	9,785	0
Total Instruction	<u>25,845</u>	<u>25,845</u>	<u>25,845</u>	<u>0</u>
Total Expenditures	<u>25,845</u>	<u>25,845</u>	<u>25,845</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(747)	(747)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (747)</u>	<u>\$ (747)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (747)	
Net change in Due from Grantor			<u>747</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-TITLE V-A-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 1,916	\$ 1,916	\$ 1,027	\$ (889)
Total Federal Sources	<u>1,916</u>	<u>1,916</u>	<u>1,027</u>	<u>(889)</u>
Total Revenues	<u>1,916</u>	<u>1,916</u>	<u>1,027</u>	<u>(889)</u>
Expenditures				
Instruction				
Supplies	1,027	1,027	1,027	0
Total Instruction	<u>1,027</u>	<u>1,027</u>	<u>1,027</u>	<u>0</u>
Total Expenditures	<u>1,027</u>	<u>1,027</u>	<u>1,027</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	889	889	0	(889)
Cash Balance Beginning of Year	<u>(889)</u>	<u>(889)</u>	<u>(889)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(889)</u>	\$ <u>(889)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-REAP-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 30,000	\$ 30,000	\$ 26,237	\$ (3,763)
Total Federal Sources	<u>30,000</u>	<u>30,000</u>	<u>26,237</u>	<u>(3,763)</u>
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>26,237</u>	<u>(3,763)</u>
Expenditures				
Instruction				
Supplies	10,000	30,000	26,237	3,763
Total Instruction	<u>10,000</u>	<u>30,000</u>	<u>26,237</u>	<u>3,763</u>
Total Expenditures	<u>10,000</u>	<u>30,000</u>	<u>26,237</u>	<u>3,763</u>
Excess (Deficiency) of Revenues Over Expenditures	20,000	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 2,522	\$ 4,500	\$ 4,500	\$ 0
Total State Sources	<u>2,522</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Revenues	<u>2,522</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	4,500	4,500	0
Total Instruction	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,522	0	0	0
Cash Balance Beginning of Year	<u>(2,522)</u>	<u>(2,522)</u>	<u>(2,522)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>(2,522)</u>	\$ <u>(2,522)</u>	\$ <u>0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 2,594	\$ 2,594	\$ 2,070	\$ (524)
Total State Sources	<u>2,594</u>	<u>2,594</u>	<u>2,070</u>	<u>(524)</u>
Total Revenues	<u>2,594</u>	<u>2,594</u>	<u>2,070</u>	<u>(524)</u>
Expenditures				
Instruction				
Supplies	1,858	1,858	963	895
Total Instruction	<u>1,858</u>	<u>1,858</u>	<u>963</u>	<u>895</u>
Total Expenditures	<u>1,858</u>	<u>1,858</u>	<u>963</u>	<u>895</u>
Excess (Deficiency) of Revenues Over Expenditures	736	736	1,107	371
Cash Balance Beginning of Year	<u>(736)</u>	<u>(736)</u>	<u>(736)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>371</u>	\$ <u>371</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,107	
Net change in Due from Grantor			<u>(735)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>372</u>	

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

STATE OF NEW MEXICO

HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50

SPECIAL REVENUE FUND-LIBRARY GO BONDS-27170

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget (Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 0	\$ 9,177	\$ 0	\$ (9,177)
Total State Sources	<u>0</u>	<u>9,177</u>	<u>0</u>	<u>(9,177)</u>
Total Revenues	<u>0</u>	<u>9,177</u>	<u>0</u>	<u>(9,177)</u>
Expenditures				
Instruction				
Supplies	0	9,177	4,000	5,177
Total Instruction	<u>0</u>	<u>9,177</u>	<u>4,000</u>	<u>5,177</u>
Total Expenditures	<u>0</u>	<u>9,177</u>	<u>4,000</u>	<u>5,177</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,000)	(4,000)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,000)</u>	<u>\$ (4,000)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,000)	
Net change in Due from Grantor			<u>4,000</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

NONMAJOR FUNDS

Special Capital Outlay-State (31400)

The revenues are derived from a state legislative grant. The expenditures are restricted to capital improvements.

Senate Bill Nine (31700)

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOLS
 NONMAJOR CAPITAL PROJECTS FUNDS
 Combining Balance Sheet
 June 30, 2008

	Special Capital Outlay State 31400	Senate Bill Nine 31700	Total
	<u>31400</u>	<u>31700</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 18,646	\$ 18,646
Receivables			
Taxes	0	342	342
Total Assets	<u>\$ 0</u>	<u>\$ 18,988</u>	<u>\$ 18,988</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 3,644	\$ 3,644
Total Liabilities	<u>0</u>	<u>3,644</u>	<u>3,644</u>
Fund Balance			
Reserved for Capital Improvements	0	15,344	15,344
Total Fund Balance	<u>0</u>	<u>15,344</u>	<u>15,344</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 18,988</u>	<u>\$ 18,988</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOLS
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Special Capital Outlay State 31400	Senate Bill Nine 31700	Total
Revenues			
Taxes	\$ 0	\$ 17,148	\$ 17,148
Investment income	0	127	127
State Grants	70,450	0	70,450
Total Revenues	<u>70,450</u>	<u>17,275</u>	<u>87,725</u>
Expenditures			
Current			
Support Services-General Administration	0	169	169
Operation & Maintenance of Plant	0	9,503	9,503
Capital Outlay	70,450	15,840	86,290
Total Expenditures	<u>70,450</u>	<u>25,512</u>	<u>95,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(8,237)</u>	<u>(8,237)</u>
Other Financing Sources (Uses)			
Transfer (To)/From	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	(8,237)	(8,237)
Fund Balances at Beginning of Year	<u>0</u>	<u>23,581</u>	<u>23,581</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 15,344</u>	<u>\$ 15,344</u>

The notes to the financial statements are an

STATE OF NEW MEXICO

HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50

SPECIAL SCHOOL CAPITAL OUTLAY-STATE-31400

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget (Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Special Capital Outlay	\$ 75,000	\$ 75,000	\$ 70,450	\$ (4,550)
Total Local Sources	<u>75,000</u>	<u>75,000</u>	<u>70,450</u>	<u>(4,550)</u>
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>70,450</u>	<u>(4,550)</u>
Expenditures				
Capital Outlay				
Supplies	0	0	0	0
Property	<u>75,000</u>	<u>75,000</u>	<u>70,450</u>	<u>4,550</u>
Total Capital Outlay	<u>75,000</u>	<u>75,000</u>	<u>70,450</u>	<u>4,550</u>
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>70,450</u>	<u>4,550</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Budgetary Basis) and Actual
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 16,795	\$ 16,795	\$ 16,930	\$ 135
Investment Income	0	0	127	127
Total Local Sources	<u>16,795</u>	<u>16,795</u>	<u>17,057</u>	<u>262</u>
Total Revenues	<u>16,795</u>	<u>16,795</u>	<u>17,057</u>	<u>262</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>170</u>	<u>170</u>	<u>169</u>	<u>1</u>
Total Support Services-General Administration	<u>170</u>	<u>170</u>	<u>169</u>	<u>1</u>
Operation and Maintenance of Plant				
Purchased Property Services	15,000	21,994	3,611	18,383
Supplies	<u>0</u>	<u>2,248</u>	<u>2,248</u>	<u>0</u>
Total Operation and Maintenance of Plant	<u>15,000</u>	<u>24,242</u>	<u>5,859</u>	<u>18,383</u>
Capital Outlay				
Fixed Assets	<u>25,082</u>	<u>15,840</u>	<u>15,840</u>	<u>0</u>
Total Capital Outlay	<u>25,082</u>	<u>15,840</u>	<u>15,840</u>	<u>0</u>
Total Expenditures	<u>40,252</u>	<u>40,252</u>	<u>21,868</u>	<u>18,384</u>
Excess (Deficiency) of Revenues Over Expenditures	(23,457)	(23,457)	(4,811)	18,646
Cash Balance Beginning of Year	<u>23,457</u>	<u>23,457</u>	<u>23,457</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,646</u>	<u>\$ 18,646</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,811)	
Net change in Taxes Receivables			218	
Net change in Accounts Payable			(3,644)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,237)</u>	

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

NONMAJOR FUNDS

DEBT SERVICE FUND (41000)

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget (Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 0	\$ 0	\$ 60	\$ 60
Total Local Sources	<u>0</u>	<u>0</u>	<u>60</u>	<u>60</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>60</u>	<u>60</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Total Operation and Maintenance of Plant	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Total Expenditures	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Excess (Deficiency) of Revenues Over Expenditures	(50)	(50)	60	110
Cash Balance Beginning of Year	<u>188</u>	<u>188</u>	<u>188</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 138</u>	<u>\$ 138</u>	<u>\$ 248</u>	<u>\$ 110</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 60</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 60</u>	

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

OTHER SUPPLEMENTAL INFORMATION

Activity Trust Fund

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 AGENCY FUNDS
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2008

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
ASSETS				
Cash in Bank	\$ 48,072	\$ 37,946	\$ 43,340	\$ 42,678
Total Assets	<u>\$ 48,072</u>	<u>\$ 37,946</u>	<u>\$ 43,340</u>	<u>\$ 42,678</u>
LIABILITIES				
Deposits Held for Others	\$ 48,072	\$ 37,946	\$ 43,340	\$ 42,678
Total Liabilities	<u>\$ 48,072</u>	<u>\$ 37,946</u>	<u>\$ 43,340</u>	<u>\$ 42,678</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2008

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
ASSETS				
General	\$ 6,098	\$ 4,921	\$ 3,613	\$ 7,406
Class of 2008	840	1,209	2,049	0
Class of 2011	638	341	33	946
Mass Media	0	1,042	1,042	0
Class of 2013	0	315	0	315
Publications	2,320	2,995	2,456	2,859
Future Farmers of America	646	7,657	6,181	2,122
Future Homemakers of America	18,580	4,858	10,221	13,217
Business Professionals of America	2,353	430	471	2,312
Student Council	293	53	95	251
Class of 2012	278	577	32	823
Class of 2007	579	440	1,019	0
TLC Book Deposit	4,029	4,129	4,673	3,485
Elementary Athletics	1,786	854	792	1,848
Rural Vision	4,833	374	3,910	1,297
Cheerleaders	0	0	0	0
Football	0	0	0	0
Athletics	1,663	3,580	2,813	2,430
Class of 2010	1,022	423	0	1,445
Class of 2009	670	2,096	2,457	309
Accelerated Reader	728	597	335	990
Honor Society	686	305	398	593
Boys Basketball Camp	0	720	720	0
Fellowship of Christian Athletes	30	30	30	30
Total Assets	\$ 48,072	\$ 37,946	\$ 43,340	\$ 42,678
LIABILITIES				
Deposits Held for Others	\$ 48,072	\$ 37,946	\$ 43,340	\$ 42,678
Total Liabilities	\$ 48,072	\$ 37,946	\$ 43,340	\$ 42,678

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 87,384	\$ 3,067	\$ 0
Balance 6/30/07	<u>87,384</u>	<u>3,067</u>	<u>0</u>
Add: 2007-08			
Revenues	1,436,794	2,400	210,772
Transfers	0	0	0
Loans from other funds	26,258	0	0
TOTAL Cash Available	<u>1,550,436</u>	<u>5,467</u>	<u>210,772</u>
Less: 2007-08			
Expenditures	1,473,241	0	213,519
Transfers	0	0	0
Loan to other funds	0	0	0
	<u>1,473,241</u>	<u>0</u>	<u>213,519</u>
 TOTAL Cash 6/30/08	 <u>\$ 77,195</u>	 <u>\$ 5,467</u>	 <u>\$ (2,747)</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	<u>Instructional Materials</u>	<u>Food Service</u>	<u>Athletics</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 0	\$ 8,550	\$ 11,460
Balance 6/30/07	<u>0</u>	<u>8,550</u>	<u>11,460</u>
Add: 2007-08			
Revenues	11,625	27,041	4,654
Transfers	0	0	0
Loans from other funds	0	0	0
TOTAL Cash Available	<u>11,625</u>	<u>35,591</u>	<u>16,114</u>
Less: 2007-08			
Expenditures	11,625	29,793	6,774
Transfers	0	0	0
Loan to other funds	0	0	0
	<u>11,625</u>	<u>29,793</u>	<u>6,774</u>
TOTAL Cash 6/30/08	<u>\$ 0</u>	<u>\$ 5,798</u>	<u>\$ 9,340</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	<u>Activities</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 48,072	\$ 19,192	\$ 0
Balance 6/30/07	<u>48,072</u>	<u>19,192</u>	<u>0</u>
 Add: 2007-08			
Revenues	37,946	51,406	26,236
Transfers	0	0	0
Loans from other funds	0	0	0
TOTAL Cash Available	<u>86,018</u>	<u>70,598</u>	<u>26,236</u>
 Less: 2007-08			
Expenditures	43,340	65,907	26,236
Transfers	0	0	0
Loan to other funds	0	22,995	0
	<u>43,340</u>	<u>88,902</u>	<u>26,236</u>
 TOTAL Cash 6/30/08	<u>\$ 42,678</u>	<u>\$ (18,304)</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	<u>State Flowthrough</u>	<u>Local</u>	<u>Capital Outlay State</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 0	\$ 213,373	\$ 0
Balance 6/30/07	<u>0</u>	<u>213,373</u>	<u>0</u>
Add: 2007-08			
Revenues	7,648	68,591	70,450
Transfers	0	0	0
Loans from other funds	0	0	0
TOTAL Cash Available	<u>7,648</u>	<u>281,964</u>	<u>70,450</u>
Less: 2007-08			
Expenditures	20,371	36,992	70,450
Transfers	0	0	0
Loan to other funds	3,258	0	0
	<u>23,629</u>	<u>36,992</u>	<u>70,450</u>
TOTAL Cash 6/30/08	<u>\$ (15,981)</u>	<u>\$ 244,972</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	<u>SB-9</u>	<u>Debt Service</u>	<u>Totals</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 23,457	\$ 188	\$ 414,743
Balance 6/30/07	<u>23,457</u>	<u>188</u>	<u>414,743</u>
 Add: 2007-08			
Revenues	17,057	60	1,972,680
Transfers	0	0	0
Loans from other funds	0	0	26,258
TOTAL Cash Available	<u>40,514</u>	<u>248</u>	<u>2,413,681</u>
 Less: 2007-08			
Expenditures	21,868	0	2,020,116
Transfers	0	0	0
Loan to other funds	0	0	26,253
	<u>21,868</u>	<u>0</u>	<u>2,046,369</u>
			<u>0</u>
 TOTAL Cash 6/30/08	<u>\$ 18,646</u>	<u>\$ 248</u>	<u>\$ 367,312</u>

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50, (District), as of and for the year ended June 30, 2008, and have issued our report thereon dated November 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

November 4, 2008

STATE OF NEW MEXICO
HOUSE MUNICIPAL SCHOOL DISTRICT NO. 50
Schedule of Findings and Responses
For the Year Ended June 30, 2008

Prior Year Audit Findings

There were no prior year audit findings

Current Year Audit Findings

There are no current year audit findings.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on November 4, 2008. Present were Donna McGee- Superintendent, Bill Noland-Secretary, Hilous Hargrove-Board Member, Marsha Stowe-Business Manager, and De'Aun Willoughby, CPA.