



STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2009

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Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
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BOARD OF EDUCATION

John Jackson	President
Edward Rubio, Jr.	Vice-President
Sue Gollob	Secretary
Irma Guillen	Member
Alan Lard	Member

SCHOOL OFFICIALS

Michael Grossman	Superintendent
Jennifer Fields	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the LAKE ARTHUR MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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, 2009, 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, 2009, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects fund, debt service fund and 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 5, 2009, 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. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Ann Willoughby CPA PC

November 5, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 Government Wide-Statement of Net Assets
 June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 741,353
Taxes Receivable	24,090
Due from Grantor	33,520
Inventory	1,523
Total Current Assets	<u>800,486</u>
Noncurrent Assets	
Capital Assets	8,422,087
Less: Accumulated Depreciation	<u>(3,795,805)</u>
Total Noncurrent Assets	<u>4,626,282</u>
Total Assets	<u>5,426,768</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	12,310
Accrued Interest	19,885
Deferred Revenue	3,884
Current Portion of Long-Term Debt	110,000
Total Current Liabilities	<u>146,079</u>
Noncurrent Liabilities	
Bonds and Notes, Net	1,372,082
Compensated Absences	16,295
Total Noncurrent Liabilities	<u>1,388,377</u>
Total Liabilities	<u>1,534,456</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	3,144,200
Restricted for	
Capital Improvements	400,157
Debt Service	189,134
Unrestricted	158,821
Total Net Assets	<u>\$ 3,892,312</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 Government Wide-Statement of Activities
 For the Year Ended June 30, 2009

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	\$ 1,715,458	\$ 7,578	\$ 137,738	\$ 0	\$ (1,570,142)
Support Services-Students	244,362	17,822	362	0	(226,178)
Support Services-Instruction	107,894	0	41,787	0	(66,107)
General Administration	157,153	0	1,616	0	(155,537)
School Administration	186,767	0	34,553	0	(152,214)
Central Services	107,616	0	7,129	0	(100,487)
Operation of Plant	417,644	0	0	0	(417,644)
Student Transportation	137,764	0	135,150	0	(2,614)
Food Services	152,175	5,518	97,039	0	(49,618)
Interest on Long-Term Obligations	52,517	0	0	0	(52,517)
Total Governmental Activities	<u>\$ 3,279,350</u>	<u>\$ 30,918</u>	<u>\$ 455,374</u>	<u>\$ 0</u>	<u>\$ (2,793,058)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes				\$	21,552
Property Taxes, Levied for Debt Service					230,472
Property Taxes, Levied for Capital Projects					94,068
Federal and State aid not restricted to specific purpose					
General					2,436,576
Capital					100,000
Interest and investment earnings					1,573
Miscellaneous					24,025
Subtotal, General Revenues					<u>2,908,266</u>
Change in Net Assets					115,208
Net Assets - beginning					<u>3,777,104</u>
Net Assets - ending					<u>\$ 3,892,312</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 19,510	\$ 2
Receivables			
Taxes	1,506	0	0
Due from Grantor	0	0	0
Interfund Balance	32,207	171	0
Inventory	0	0	0
Total Assets	<u>\$ 33,713</u>	<u>\$ 19,681</u>	<u>\$ 2</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payable	\$ 7,699	\$ 162	\$ 0
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	810	0	0
Total Liabilities	<u>8,509</u>	<u>162</u>	<u>0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	25,204	19,519	2
Special Revenue Funds	0	0	0
Total Fund Balances	<u>25,204</u>	<u>19,519</u>	<u>2</u>
Total Liabilities and Fund Balances	<u>\$ 33,713</u>	<u>\$ 19,681</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	<u>General Fund</u>			
	Instructional		Bond	Debt
	Materials		Building	Service
	14000		31100	41000
	<u> </u>		<u> </u>	<u> </u>
ASSETS				
Cash and Cash Equivalents	\$ 9,668	\$	400,157	\$ 265,281
Receivables				
Taxes	0		0	16,239
Due from Grantor	0		0	0
Interfund Balance	0		0	0
Inventory	0		0	0
Total Assets	<u>\$ 9,668</u>	\$	<u>400,157</u>	\$ <u>281,520</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Payable	\$ 0	\$	0	\$ 0
Interfund Balances	0		0	0
Current Portion Due				
Principal	0		0	75,000
Interest	0		0	12,916
Deferred Revenue	0		0	10,091
Total Liabilities	<u>0</u>		<u>0</u>	<u>98,007</u>
Fund Balances				
Reserved for:				
Inventory	0		0	0
Capital Improvements	0		400,157	0
Debt Service	0		0	183,513
Unreserved, Undesignated, reported in				
General Fund	9,668		0	0
Special Revenue Funds	0		0	0
Total Fund Balances	<u>9,668</u>		<u>400,157</u>	<u>183,513</u>
Total Liabilities and Fund Balances	<u>\$ 9,668</u>	\$	<u>400,157</u>	\$ <u>281,520</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2009

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 46,735	\$ 741,353
Receivables		
Taxes	6,345	24,090
Due from Grantor	33,520	33,520
Interfund Balance	0	32,378
Inventory	1,523	1,523
Total Assets	<u>\$ 88,123</u>	<u>\$ 832,864</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Payable	\$ 4,449	\$ 12,310
Interfund Balances	32,378	32,378
Current Portion Due		
Principal	0	75,000
Interest	0	12,916
Deferred Revenue	7,092	17,993
Total Liabilities	<u>43,919</u>	<u>150,597</u>
 Fund Balances		
Reserved for:		
Inventory	1,538	1,538
Capital Improvements	0	400,157
Debt Service	5,621	189,134
Unreserved, Undesignated, reported in		
General Fund	0	54,393
Special Revenue Funds	37,045	37,045
Total Fund Balances	<u>44,204</u>	<u>682,267</u>
 Total Liabilities and Fund Balances	 <u>\$ 88,123</u>	 <u>\$ 832,864</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balance - Governmental Funds		\$	682,267
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	\$	8,422,087
	Accumulated depreciation is		<u>(3,795,805)</u>
			4,626,282
Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.			
			14,109
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-			
	Bond payable		(1,535,000)
	Accrued interest on bonds		(6,969)
	Bond Issue Costs		127,918
	Compensated Absences		<u>(16,295)</u>
			<u>(1,430,346)</u>
Total net assets - governmental activities		\$	<u><u>3,892,312</u></u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 21,537	\$ 0	\$ 0
Interest Income	1,259	0	0
Fees	0	0	0
State & Local Grants	2,419,838	0	135,150
Federal Grants	448	0	0
Miscellaneous	7,350	16,675	0
Total Revenues	<u>2,450,432</u>	<u>16,675</u>	<u>135,150</u>
Expenditures			
Current			
Instruction	1,295,394	0	0
Support Services-Students	225,434	0	0
Support Services-Instruction	88,891	0	0
Support Services-General Administration	153,334	0	0
Support Services-School Administration	152,119	0	0
Central Services	100,515	0	0
Operation & Maintenance of Plant	324,883	18,139	0
Student Transportation	2,614	0	135,150
Food Services Operations	39,069	0	0
Capital Outlay	29,262	0	0
Debt Service			
Bond Issue Cost	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,411,515</u>	<u>18,139</u>	<u>135,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,917</u>	<u>(1,464)</u>	<u>0</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	38,917	(1,464)	0
Fund Balances at Beginning of Year	<u>(13,713)</u>	<u>20,983</u>	<u>2</u>
Fund Balance End of Year	<u>\$ 25,204</u>	<u>\$ 19,519</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>General Fund</u>		
	Instructional	Bond	Debt
	Materials	Building	Service
	14000	31100	41000
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 236,629
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	24,722	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>24,722</u>	<u>0</u>	<u>236,629</u>
Expenditures			
Current			
Instruction	17,310	0	0
Support Services-Students	0	0	0
Support Services-Instruction	2,471	0	0
Support Services-General Administration	0	0	633
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	21,672	0
Debt Service			
Bond Issue Cost	0	48,171	0
Principal	0	0	75,000
Interest	0	0	49,238
Total Expenditures	<u>19,781</u>	<u>69,843</u>	<u>124,871</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,941</u>	<u>(69,843)</u>	<u>111,758</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	470,000	0
Total Other Sources (Uses)	<u>0</u>	<u>470,000</u>	<u>0</u>
Net Change in Fund Balance	4,941	400,157	111,758
Fund Balances at Beginning of Year	<u>4,727</u>	<u>0</u>	<u>71,755</u>
Fund Balance End of Year	<u>\$ 9,668</u>	<u>\$ 400,157</u>	<u>\$ 183,513</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 87,876	\$ 346,042
Interest Income	314	1,573
Fees	30,918	30,918
State & Local Grants	138,038	2,717,748
Federal Grants	273,754	274,202
Miscellaneous	0	24,025
Total Revenues	<u>530,900</u>	<u>3,394,508</u>
Expenditures		
Current		
Instruction	154,900	1,467,604
Support Services-Students	14,841	240,275
Support Services-Instruction	16,576	107,938
Support Services-General Administration	1,882	155,849
Support Services-School Administration	34,553	186,672
Central Services	7,129	107,644
Operation & Maintenance of Plant	64,678	407,700
Student Transportation	0	137,764
Food Services Operations	93,149	132,218
Capital Outlay	138,842	189,776
Debt Service		
Bond Issue Cost	0	48,171
Principal	0	75,000
Interest	0	49,238
Total Expenditures	<u>526,550</u>	<u>3,305,849</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,350</u>	<u>88,659</u>
Other Financing Sources (Uses)		
Bond Proceeds	0	470,000
Total Other Sources (Uses)	<u>0</u>	<u>470,000</u>
Net Change in Fund Balance	4,350	558,659
Fund Balances at Beginning of Year	<u>39,854</u>	<u>123,608</u>
Fund Balance End of Year	<u>\$ 44,204</u>	<u>682,267</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2009

Excess (Deficiency) of Revenues Over Expenditures \$ 88,659

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

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. (1,760)

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 outlays in the period.

Depreciation expense	\$ (283,356)	
Capital Outlays	<u>189,776</u>	(93,580)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 75,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 10,906

Bond issue costs are amortized in the Statement of Activities but are expensed in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Current Year Issue Costs	48,171	
Amortization of Issue Costs	<u>(12,374)</u>	35,797

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 186

Change in Net Assets of Governmental Activities \$ 115,208

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 10,174	\$ 10,174	\$ 21,963	\$ 11,789
Interest Income	1,600	1,600	1,259	(341)
State Grant	2,324,850	2,449,235	2,419,839	(29,396)
Federal Grant	54	54	448	394
Miscellaneous	0	0	7,350	7,350
Total Revenues	<u>2,336,678</u>	<u>2,461,063</u>	<u>2,450,859</u>	<u>(10,204)</u>
Expenditures				
Instruction				
Personnel Services	946,954	900,435	900,435	0
Employee Benefits	317,562	304,489	304,489	0
Professional & Tech Services	11,151	23,375	22,415	960
Purchased Property Services	7,400	7,837	7,090	747
Purchased Services	22,615	14,160	14,160	0
Supplies	33,600	38,029	38,029	0
Fixed Assets	1,000	11,387	11,387	0
Total Instruction	<u>1,340,282</u>	<u>1,299,712</u>	<u>1,298,005</u>	<u>1,707</u>
Support Services-Students				
Personnel Services	74,468	91,395	91,394	1
Employee Benefits	29,406	31,381	31,381	0
Professional & Tech Services	107,612	84,107	84,107	0
Purchased Services	651	14,258	14,205	53
Supplies	3,185	4,347	4,347	0
Total Support Service-Students	<u>215,322</u>	<u>225,488</u>	<u>225,434</u>	<u>54</u>
Support Services-Instruction				
Personnel Services	59,358	65,299	65,229	70
Employee Benefits	28,036	22,783	22,779	4
Professional & Tech Services	91	159	159	0
Purchased Services	318	318	310	8
Supplies	0	415	414	1
Total Support Services-Instruction	<u>87,803</u>	<u>88,974</u>	<u>88,891</u>	<u>83</u>
Support Services-General Administration				
Personnel Services	89,181	89,069	89,067	2
Employee Benefits	26,599	31,534	30,075	1,459
Professional & Tech Services	10,757	18,608	18,607	1
Purchased Property Services	5,414	7,455	7,455	0
Purchased Services	6,065	8,024	8,024	0
Supplies	3,367	3,937	1,978	1,959
Total Support Services-General Administration	<u>\$ 141,383</u>	<u>\$ 158,627</u>	<u>\$ 155,206</u>	<u>\$ 3,421</u>

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 81,383	\$ 111,964	\$ 103,654	\$ 8,310
Employee Benefits	38,382	33,440	30,906	2,534
Professional & Tech Services	2,800	11,374	11,374	0
Purchased Property Services	6,000	6,622	6,622	0
Purchased Services	500	710	710	0
Supplies	500	1,094	1,094	0
Total Support Services-School Administration	<u>129,565</u>	<u>165,204</u>	<u>154,360</u>	<u>10,844</u>
Central Services				
Personnel Services	56,421	60,710	60,709	1
Employee Benefits	22,292	24,254	23,378	876
Professional & Tech Services	8,299	4,489	4,489	0
Purchased Property Services	5,460	6,622	6,622	0
Purchased Services	1,092	1,608	1,592	16
Supplies	1,820	3,503	3,353	150
Total Central Services	<u>95,384</u>	<u>101,186</u>	<u>100,143</u>	<u>1,043</u>
Operation & Maintenance of Plant				
Personnel Services	61,597	85,557	75,876	9,681
Employee Benefits	23,061	18,107	17,217	890
Professional & Tech Services	7,280	14,321	14,321	0
Purchased Property Services	116,854	125,966	125,316	650
Purchased Services	57,057	60,524	51,346	9,178
Supplies	22,550	46,530	46,530	0
Fixed Assets	18,000	18,000	17,875	125
Supply Assets	4,000	18,396	2,521	15,875
Total Operation & Maintenance of Plant	<u>310,399</u>	<u>387,401</u>	<u>351,002</u>	<u>36,399</u>
Transportation				
Purchased Services	4,550	2,614	2,614	0
Total Transportation	<u>4,550</u>	<u>2,614</u>	<u>2,614</u>	<u>0</u>
Food Service Operations				
Personnel Services	6,218	16,412	16,412	0
Employee Benefits	3,407	7,622	7,622	0
Purchased Services	0	603	598	5
Supplies	20,045	14,450	14,437	13
Total Food Services Operations	<u>29,670</u>	<u>39,087</u>	<u>39,069</u>	<u>18</u>
Total Expenditures	<u>\$ 2,354,358</u>	<u>\$ 2,468,293</u>	<u>\$ 2,414,724</u>	<u>\$ 53,569</u>

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (17,680)	\$ (7,230)	\$ 36,135	\$ 43,365
Other Financing Sources (Uses)				
Transfer Out	<u>0</u>	<u>0</u>	<u>(8,474)</u>	<u>(8,474)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(8,474)</u>	<u>(8,474)</u>
Net Change in Fund Balance	(17,680)	(7,230)	27,661	34,891
Cash Balance Beginning of Year	<u>4,546</u>	<u>4,546</u>	<u>4,546</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (13,134)</u>	<u>\$ (2,684)</u>	<u>\$ 32,207</u>	<u>\$ 34,891</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 27,661	
Net change in Taxes Receivable			(441)	
Net change in Accounts Payable			11,682	
Net change in Deferred Revenue			15	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 38,917</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Rents & Leases	\$ 15,300	\$ 15,300	\$ 16,675	\$ 1,375
Total Revenues	<u>15,300</u>	<u>15,300</u>	<u>16,675</u>	<u>1,375</u>
Expenditures				
Operation & Maintenance of Plant				
Employee Benefits	0	296	290	6
Purchased Property Services	2,400	7,205	3,110	4,095
Purchased Services	0	10,000	5,421	4,579
Supplies	0	6,260	4,416	1,844
Supply Assets	0	6,000	5,533	467
Total Operation & Maintenance of Plant	<u>2,400</u>	<u>29,761</u>	<u>18,770</u>	<u>10,991</u>
Total Expenditures	<u>2,400</u>	<u>29,761</u>	<u>18,770</u>	<u>10,991</u>
Excess (Deficiency) of Revenues Over Expenditures	12,900	(14,461)	(2,095)	12,366
Cash Balance Beginning of Year	<u>21,776</u>	<u>21,776</u>	<u>21,776</u>	<u>0</u>
Cash Balance End of Year	\$ <u>34,676</u>	\$ <u>7,315</u>	\$ <u>19,681</u>	\$ <u>12,366</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,095)	
Net change in Accounts Payable			<u>631</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,464)</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 135,995	\$ 135,148	\$ 135,150	\$ 2
Total Revenues	<u>135,995</u>	<u>135,148</u>	<u>135,150</u>	<u>2</u>
Expenditures				
Support Services				
Personnel Services	40,151	39,536	39,536	0
Employee Benefits	20,660	19,837	19,837	0
Purchased Services	<u>75,182</u>	<u>75,777</u>	<u>75,777</u>	<u>0</u>
Total Support Services	<u>135,993</u>	<u>135,150</u>	<u>135,150</u>	<u>0</u>
Total Expenditures	<u>135,993</u>	<u>135,150</u>	<u>135,150</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2	(2)	0	2
Cash Balance Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 2</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
LAKE ARTHUR MUNICIPAL SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 12,583	\$ 24,722	\$ 24,722	\$ 0
Total Revenues	<u>12,583</u>	<u>24,722</u>	<u>24,722</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	12,583	17,310	17,310	0
Total Instruction	<u>12,583</u>	<u>17,310</u>	<u>17,310</u>	<u>0</u>
Support Services-Instruction				
Supplies	2,471	2,471	2,471	0
Total Support Services-Instruction	<u>2,471</u>	<u>2,471</u>	<u>2,471</u>	<u>0</u>
Total Expenditures	<u>15,054</u>	<u>19,781</u>	<u>19,781</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,471)	4,941	4,941	0
Cash Balance Beginning of Year	<u>4,727</u>	<u>4,727</u>	<u>4,727</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>2,256</u></u>	\$ <u><u>9,668</u></u>	\$ <u><u>9,668</u></u>	\$ <u><u>0</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,941	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>4,941</u></u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 95,434
Total Assets	<u>\$ 95,434</u>
Liabilities	
Deposits Held for Others	\$ 95,434
Total Liabilities	<u>\$ 95,434</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 LAKE ARTHUR MUNICIPAL SCHOOLS (District) have 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.

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.

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.

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

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

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.

CAPITAL PROJECT FUND

Bond Building (31100)

The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

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. Expenditures are restricted to debt reduction.

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

Taxes. 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.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).

3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.

4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. 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.

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.

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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.

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

(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 activity and 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.

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.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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

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.

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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

All twelve-month employees are granted annual leave at the rate of one day per month. All District employees are entitled to accrue personal/sick leave according to the following schedule:

Twelve month contract	12 days per year
Eleven month contract	11 days per year
Nine month contract	10 days per year
At will employees	1 day per month

Employees accumulate a maximum of sixty days personal/sick leave. Unused personal/sick leave is not paid upon termination. All employees of the District are allowed two personal days leave per year. Personal leave cannot be accumulated. Unused personal leave can be transferred to sick leave the following year. In the past, the liability for compensated absences was reported in the General Long-Term Debt Account Group, The General fund was used to liquidate the liability.

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.

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.

Western Bank <u>Name of Account</u>	Balance	Reconciled	<u>Type</u>
	Per Bank 6/30/09	Balance	
Lake Arthur Municipal Schools	\$ 806,080	\$ 722,907	Checking
Payroll Clearing	90,852	0	Checking
Cafeteria	22,144	18,109	Checking
Athletics	528	336	Checking
Activities	99,064	95,435	Checking
TOTAL Deposited	1,018,668	\$ 836,787	
Less: FDIC Coverage	(1,018,668)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 1,018,668
Collateralized:	
Collateral held by the pledging bank in District's name	0
Over insured and over collateralized	0
Total Deposits	<u>\$ 1,018,668</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, 2009 none of the District's bank balance of \$1,018,668 was exposed to custodial credit risk.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances during the year ending June 30, 2009 were as follows:

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>	
	Other Governmental Funds	Total
General Fund	\$ 32,378	\$ 32,378
Totals	<u>\$ 32,378</u>	<u>\$ 32,378</u>

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, 2009:

	<u>Operational</u>	<u>Debt Service</u>	Other <u>Governmental</u>	<u>Total</u>
Property Taxes Receivable:				
Available	\$ 0	\$ 0	\$ 6,097	\$ 6,097
Unavailable	810	10,091	7,092	17,993
TOTAL Property Taxes Receivable	<u>\$ 810</u>	<u>\$ 10,091</u>	<u>\$ 13,189</u>	<u>\$ 24,090</u>

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

NOTE E: DEFERRED REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2009:

	General	Debt Service	Other Governmental	Total
Property Taxes	\$ 810	\$ 10,091	\$ 0	\$ 10,901
Federal Revenues	0	0	7,092	7,092
TOTAL Deferred Revenues	\$ 810	\$ 10,091	\$ 7,092	\$ 17,993

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 14,579	\$ 0	\$ 0	\$ 14,579
Total Capital Assets not being Depreciated	14,579	0	0	14,579
Capital Assets, being Depreciated				
Construction in Progress	0	21,672	0	21,672
Buildings & Improvements	7,430,640	145,230		7,575,870
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	787,092	22,874		809,966
Total Capital Assets, being Depreciated	8,217,732	189,776	0	8,407,508
Total Capital Assets	8,232,311	189,776	0	8,422,087
Less Accumulated Depreciation				
Buildings & Improvements	2,967,613	234,033	0	3,201,646
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	544,836	49,323	0	594,159
Total Accumulated Depreciation	3,512,449	283,356	0	3,795,805
Capital Assets, net	\$ 4,719,862	\$ (93,580)	\$ 0	\$ 4,626,282

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 247,854
Support Service	4,087
General Administration	1,385
School Administration	95
Operation of Plant	9,978
Food Service	19,957
Total depreciation expenses	<u>\$ 283,356</u>

NOTE G: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,215,000	\$ 470,000	\$ 75,000	\$ 1,610,000	\$ 110,000
Total Bonds	<u>1,215,000</u>	<u>470,000</u>	<u>75,000</u>	<u>1,610,000</u>	<u>110,000</u>
Other Liabilities					
Compensated					
Absences	14,539	16,785	14,843	16,295	0
Total Other	<u>14,539</u>	<u>16,785</u>	<u>14,843</u>	<u>16,295</u>	<u>0</u>
Liabilities					
Long-Term					
Liabilities	\$ 1,229,539	\$ 486,785	\$ 89,843	\$ 1,626,295	\$ 110,000

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by the General Fund.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Series	Date of Issue	Original Amount	Interest Rate	Balance
1998	03-01-98	100,000	4.9%-4.9%	\$ 100,000
2005	06-15-05	400,000	4.1%-4.25%	400,000
2006	04-16-06	240,000	3.875%-4.0%	240,000
2007	04-01-07	400,000	4%	400,000
2009	08-15-08	470,000	4%-5.6%	470,000
				<u>\$ 1,610,000</u>

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

The annual requirements to amortize the general obligation bonds as of June 30, 2009, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 110,000	\$ 69,068	\$ 179,068
2011	90,000	64,674	154,674
2012	90,000	60,986	150,986
2013	95,000	57,299	152,299
2014	105,000	53,330	158,330
2015-2019	665,000	192,300	857,300
2020-2022	455,000	36,729	491,729
	<u>\$ 1,610,000</u>	<u>\$ 534,386</u>	<u>\$ 2,144,386</u>

Reconciliation of Long-Term Debt disclosed in Note H to the Long-Term Debt reported in the Statement of Net Assets.

Note G	\$ 1,610,000
Net Issue Costs/Premium/Discounts on Bond Issues	(174,568)
Accumulated Amortization	46,650
Statement of Net Assets	<u>\$ 1,482,082</u>
 Government Wide Statements	
Amount Reported as Current Amount Due	\$ 110,000
Amount Reported as Long-Term Due	1,372,082
Statement of Net Assets	<u>\$ 1,482,082</u>

NOTE H: COMMITMENTS

Lake Arthur Municipal Schools in coordination with the Village of Lake Arthur has embarked on an ambitious facility improvement plan that includes the village developing a waste water wetlands treatment system to provide a financial base for permitting village growth and thus promoting an increase number of students enrolling in Lake Arthur Schools. In conjunction with that facet of financial stability in Lake Arthur, the school district has pursued an ambitious program of facility improvements that has led to a completely updated kitchen/cafeteria facility and a projected new athletic field with lights. The district has also been pursuing in conjunction with the associated school districts of the Regional Educational Cooperatives #8 and #9 a joint distance education program that would expand the availability of offerings to all students of the member small rural school districts.

NOTE I: PENSION PLAN

Substantially all of the (name of employer)'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 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered 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 total contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$298,510, \$291,140 and \$252,366, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE J: 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.

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 total contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$30,204, \$30,319 and \$27,847, respectively, which equal the required contributions for each year.

NOTE K: 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).

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 L: 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 M. 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 N: JOINT POWERS AGREEMENTS

The District is a member of a joint powers agreement with the Pecos Valley Regional Education Center No. 8 (PVREC). The joint powers agreement includes Loving, Hagerman, Dexter, and Lake Arthur school districts. The purpose of the agreement is to form an organization to establish and maintain cooperative programs of various federal and state grants.

The total expenditures for the District was \$72,742. The revenues and expenditures in the following special revenue funds:

- 24106 IDEA, Part B, Entitlement
- 24107 & 27200 IDEA, Part B, Discretionary

The financial statements were prepared by another IPA. The audit report is available at the PVREC located in Artesia, New Mexico.

The Lake Arthur Municipal Schools is a member of a joint powers agreement with ten other school districts in the Southeastern New Mexico Education Resources Center (SNMERC). Pecos Valley Regional Center Cooperative is the fiscal agent for this group.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 CAPITAL PROJECTS FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Bond Proceeds	\$ 0	\$ 421,830	\$ 470,000	\$ 48,170
Total Revenues	<u>0</u>	<u>421,830</u>	<u>470,000</u>	<u>48,170</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	0	421,830	21,672	400,158
Total Capital Outlay	<u>0</u>	<u>421,830</u>	<u>21,672</u>	<u>400,158</u>
Total Expenditures	<u>0</u>	<u>421,830</u>	<u>21,672</u>	<u>400,158</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>448,328</u>	<u>(351,988)</u>
Other Financing Sources (Uses)				
Bond Issue Cost	0	0	(48,171)	(48,171)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(48,171)</u>	<u>(48,171)</u>
Net Change in Cash Balance	0	0	400,157	(400,159)
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>\$ 400,157</u>	<u>\$ (400,159)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 400,157	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 400,157</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 146,317	\$ 146,317	\$ 246,277	\$ 99,960
Total Revenues	<u>146,317</u>	<u>146,317</u>	<u>246,277</u>	<u>99,960</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	874	874	633	241
Total Support Services-General Administration	<u>874</u>	<u>874</u>	<u>633</u>	<u>241</u>
Debt Service				
Principal	75,000	75,000	75,000	0
Interest	49,239	51,689	49,239	2,450
Total Debt Service	<u>124,239</u>	<u>126,689</u>	<u>124,239</u>	<u>2,450</u>
Total Expenditures	<u>125,113</u>	<u>127,563</u>	<u>124,872</u>	<u>2,691</u>
Excess (Deficiency) of Revenues Over Expenditures	21,204	18,754	121,405	102,651
Cash Balance Beginning of Year	<u>143,876</u>	<u>143,876</u>	<u>143,876</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 165,080</u>	<u>\$ 162,630</u>	<u>\$ 265,281</u>	<u>\$ 102,651</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 121,405	
Net change in Taxes Receivable			(9,271)	
Net change in Deferred Revenue			<u>(376)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 111,758</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Service (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).

Title I (24101). To account for revenues and expenditures for a collaborative consortium of education, health, culture enrichment and social support system in rural communities. The fund was created by grant provisions.

Migrant (24103). To account for a program funded by a federal grant whose purpose is to implement school wide bilingual education programs of special alternative instruction programs to improve, reform and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency in local educational agencies with significant concentrations of such children and youth. The fund was created by the authority of federal grant provisions. (Title VII, Section 7115 of the ESEA (20USC 7425)).

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.

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.

Competitive (24108). To provide grants to States to assist them in providing a free appropriate public education to all children with disabilities. Individuals with Disabilities Education Act (IDEA), Part B, Section 611-617, and part D, Section 674 as amended, 20 U. S. C. 1411-1417 and 1420. The fund was created by the authority of federal grant provisions.

Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Enhancing Education Through Education (24133). To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

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).

NONMAJOR SPECIAL REVENUE FUNDS

Title II (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Safe & Drug Free Schools & Community (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act , Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

Reading First (24167). The purpose of this grant is to ensure that all children can read at grade level or above by the end of third grade. The Reading First program is authorized by Title I, Part B, Subpart 1 of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (20 USC 6361 *et seq.*).

Carl Perkins (24180). To account for funds distributed by the U. S. Department of Education through the State Department of Education to provide services which impact school district vocational programs, educators, and students. This fund was created by the authority of the Carl D. Perkins Vocational. and Applied Technology Education Amendments of 1998, Title I, Part B and C and Sections 115 and 116, and Workforce Investment Act, Section 503.

Medicaid (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

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).

Incentives for School Improvement (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

Library GO Bonds 2004 (27145). 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.

NONMAJOR SPECIAL REVENUE FUNDS

Beginning Teacher Mentoring (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.

Breakfast for Elementary (27155). To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

Student Travel (27165). To account for funds from the state to be used for curriculum based or service learning out door educational programming and projects, transportation of students to outdoor educational sites, or professional development for teachers and or staff.

Libraries 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 Directed Activities (27200). To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

Rural Revitalization (27503). To account for revenues and expenditures from a state grant for discovery, development, and the use of resources of the community as part of the educational facilities of the school. The fund was created by state grant provisions.

NM Outdoor Classroom (27504). To account for revenues and expenditures from a state grant to increase outdoor education across the state. The fund was created by state grant provisions.

Library Books (27549). To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

NONMAJOR CAPITAL OUTLAY FUNDS

Special School Capital Outlay-State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

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
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
ASSETS			
Cash and Cash Equivalents	\$ 18,109	\$ 336	\$ 0
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	1,523	0	0
Total Assets	<u>\$ 19,632</u>	<u>\$ 336</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 698	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>698</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	1,538	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	17,396	336	0
Total Fund Balance	<u>18,934</u>	<u>336</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 19,632</u>	<u>\$ 336</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Migrant 24103	Entitlement 24106	Discretionary 24107
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 298	\$ 422
Receivables			
Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 298</u>	<u>\$ 422</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	0	298	422
Total Liabilities	<u>0</u>	<u>298</u>	<u>422</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 298</u>	<u>\$ 422</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Competitive 24108	Preschool 24109	Enhancing Education Through Education 24133
ASSETS			
Cash and Cash Equivalents	\$ 1,537	\$ 0	\$ 2,045
Receivables			
Taxes	0	0	0
Due from Grantor	0	1,943	0
Inventory	0	0	0
Total Assets	<u>\$ 1,537</u>	<u>\$ 1,943</u>	<u>\$ 2,045</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	1,943	0
Deferred Revenue	1,537	0	2,045
Total Liabilities	<u>1,537</u>	<u>1,943</u>	<u>2,045</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,537</u>	<u>\$ 1,943</u>	<u>\$ 2,045</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Title V-A 24150	Title II 24154	Safe & Drug Free Schools & Community 24157
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due from Grantor	0	1,721	111
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 1,721</u>	<u>\$ 111</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 1,142	\$ 0
Interfund Balance	0	579	111
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>1,721</u>	<u>111</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,721</u>	<u>\$ 111</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Reading First 24167	Carl Perkins 24180	Medicaid 25153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 6,680
Receivables			
Taxes	0	0	0
Due from Grantor	0	293	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 293</u>	<u>\$ 6,680</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	293	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>293</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	6,680
Total Fund Balance	<u>0</u>	<u>0</u>	<u>6,680</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 293</u>	<u>\$ 6,680</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	REAP 25233	Technology for Education 27117	Incentives for School Improvement 27138
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 4,508	\$ 777
Receivables			
Taxes	0	0	0
Due from Grantor	5,133	0	0
Inventory	0	0	0
Total Assets	<u>\$ 5,133</u>	<u>\$ 4,508</u>	<u>\$ 777</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	5,133	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>5,133</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	4,508	777
Total Fund Balance	<u>0</u>	<u>4,508</u>	<u>777</u>
Total Liabilities and Fund Balance	<u>\$ 5,133</u>	<u>\$ 4,508</u>	<u>\$ 777</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Library GO Bonds 2004 27145	Beginning Teacher Mentoring 27154	Breakfast for Elementary 27155
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 6,859	\$ 0
Receivables			
Taxes	0	0	0
Due from Grantor	3,004	0	0
Inventory	0	0	0
Total Assets	<u>\$ 3,004</u>	<u>\$ 6,859</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	3,004	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>3,004</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	6,859	0
Total Fund Balance	<u>0</u>	<u>6,859</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,004</u>	<u>\$ 6,859</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Student Travel 27165	Libraries GO Bonds 27170	State Directed Activities 27200
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due from Grantor	2,106	9,229	0
Inventory	0	0	0
Total Assets	<u>\$ 2,106</u>	<u>\$ 9,229</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	2,106	9,229	0
Deferred Revenue	0	0	0
Total Liabilities	<u>2,106</u>	<u>9,229</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,106</u>	<u>\$ 9,229</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue Funds		
	Rural Revitalization 27503	NM Outdoor Classroom 27504	Library Books 27549
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 489
Receivables			
Taxes	0	0	0
Due from Grantor	7,980	2,000	0
Inventory	0	0	0
Total Assets	<u>\$ 7,980</u>	<u>\$ 2,000</u>	<u>\$ 489</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	7,980	2,000	0
Deferred Revenue	0	0	0
Total Liabilities	<u>7,980</u>	<u>2,000</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	489
Total Fund Balance	<u>0</u>	<u>0</u>	<u>489</u>
Total Liabilities and Fund Balance	<u>\$ 7,980</u>	<u>\$ 2,000</u>	<u>\$ 489</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Capital Projects</u>		
	Special School Capital Outlay State 31400	Senate Bill Nine 31700	Total
	<u>31400</u>	<u>31700</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 63	\$ 4,612	\$ 46,735
Receivables			
Taxes	0	6,345	6,345
Due from Grantor	0	0	33,520
Inventory	0	0	1,523
Total Assets	<u>\$ 63</u>	<u>\$ 10,957</u>	<u>\$ 88,123</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Payables	\$ 0	\$ 2,609	\$ 4,449
Interfund Balance	0	0	32,378
Deferred Revenue	0	2,790	7,092
Total Liabilities	<u>0</u>	<u>5,399</u>	<u>43,919</u>
Fund Balance			
Reserved for			
Inventory	0	0	1,538
Debt Service	63	5,558	5,621
Unreserved, Undesignated			
Special Revenue	0	0	37,045
Total Fund Balance	<u>63</u>	<u>5,558</u>	<u>44,204</u>
Total Liabilities and Fund Balance	<u>\$ 63</u>	<u>\$ 10,957</u>	<u>\$ 88,123</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	0	0	0
Interest Income	31	283	0
Fees	\$ 5,518	7,578	0
State & Local Grants	0	0	0
Federal Grants	94,159	0	56,420
Total Revenues	<u>99,708</u>	<u>7,861</u>	<u>56,420</u>
Expenditures			
Current			
Instruction	0	8,725	29,173
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	27,247
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	93,149	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>93,149</u>	<u>8,725</u>	<u>56,420</u>
Excess (Deficiency) of Revenues Over Expenditures	6,559	(864)	0
Fund Balances at Beginning of Year	<u>12,375</u>	<u>1,200</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 18,934</u>	<u>\$ 336</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Migrant 24103	Entitlement 24106	Discretionary 24107
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	34,535	1,122
Total Revenues	<u>0</u>	<u>34,535</u>	<u>1,122</u>
Expenditures			
Current			
Instruction	0	34,535	1,122
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>34,535</u>	<u>1,122</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
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Competitive 24108	Preschool 24109	Enhancing Education Through Education 24133
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	3,827	0
Total Revenues	<u>0</u>	<u>3,827</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	3,465	0
Support Services-Students	0	362	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>3,827</u>	<u>0</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
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Title V-A 24150	Title II 24154	Safe & Drug Free Schools & Community 24157
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	18,745	834
Total Revenues	<u>0</u>	<u>18,745</u>	<u>834</u>
Expenditures			
Current			
Instruction	0	18,745	834
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>18,745</u>	<u>834</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
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Reading First 24167	Carl Perkins 24180	Medicaid 25153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	17,822
State & Local Grants	0	0	0
Federal Grants	0	17,190	0
Total Revenues	<u>0</u>	<u>17,190</u>	<u>17,822</u>
Expenditures			
Current			
Instruction	0	8,213	0
Support Services-Students	0	0	14,479
Support Services-Instruction	0	2,555	0
Support Services-General Administration	0	1,616	0
Support Services-School Administration	0	4,806	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>17,190</u>	<u>14,479</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,343
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>3,337</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,680</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	REAP 25233	Technology for Education 27117	Incentives for School Improvement 27138
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	4,387	0
Federal Grants	9,837	0	0
Total Revenues	<u>9,837</u>	<u>4,387</u>	<u>0</u>
Expenditures			
Current			
Instruction	7,337	4,388	3,070
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	2,500	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	7,561	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>9,837</u>	<u>11,949</u>	<u>3,070</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(7,562)	(3,070)
Fund Balances at Beginning of Year	<u>0</u>	<u>12,070</u>	<u>3,847</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 4,508</u>	<u>\$ 777</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Library GO Bonds 2004 27145	Beginning Teacher Mentoring 27154	Breakfast for Elementary 27155
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	4,012	2,880
Federal Grants	0	0	0
Total Revenues	0	4,012	2,880
Expenditures			
Current			
Instruction	0	0	2,880
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	0	0	2,880
Excess (Deficiency) of Revenues Over Expenditures	0	4,012	0
Fund Balances at Beginning of Year	0	2,847	0
Fund Balance End of Year	\$ 0	\$ 6,859	\$ 0

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Student Travel 27165	Libraries GO Bonds 27170	State Directed Activities 27200
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	37,085
Total Revenues	<u>0</u>	<u>0</u>	<u>37,085</u>
Expenditures			
Current			
Instruction	0	0	15,935
Support Services-Students	0	0	0
Support Services-Instruction	0	0	14,021
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	7,129
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>37,085</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
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>Special Revenue Funds</u>		
	Rural	NM Outdoor	
	Revitalization <u>27503</u>	Classroom <u>27504</u>	Library Books <u>27549</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	7,980	2,000	489
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>7,980</u>	<u>2,000</u>	<u>489</u>
Expenditures			
Current			
Instruction	7,980	2,000	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>7,980</u>	<u>2,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	489
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>\$ 489</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>Capital Projects</u>		
	Special School Capital Outlay State 31400	Senate Bill Nine 31700	Total
	<u>31400</u>	<u>31700</u>	<u>Total</u>
Revenues			
Property Taxes	\$ 0	\$ 87,876	\$ 87,876
Interest Income	0	0	314
Fees	0	0	30,918
State & Local Grants	100,000	16,290	138,038
Federal Grants	0	0	273,754
Total Revenues	<u>100,000</u>	<u>104,166</u>	<u>530,900</u>
Expenditures			
Current			
Instruction	0	6,498	154,900
Support Services-Students	0	0	14,841
Support Services-Instruction	0		16,576
Support Services-General Administration	0	266	1,882
Support Services-School Administration	0	0	34,553
Central Services	0	0	7,129
Operation & Maintenance of Plant	0	57,117	64,678
Food Service Operations	0	0	93,149
Capital Outlay	100,000	38,842	138,842
Total Expenditures	<u>100,000</u>	<u>102,723</u>	<u>526,550</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1,443	4,350
Fund Balances at Beginning of Year	<u>63</u>	<u>4,115</u>	<u>39,854</u>
Fund Balance End of Year	<u>\$ 63</u>	<u>\$ 5,558</u>	<u>\$ 44,204</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 5,000	\$ 5,000	\$ 5,518	\$ 518
Interest Income	25	25	31	6
Federal Grants	76,000	76,000	89,979	13,979
Total Revenues	<u>81,025</u>	<u>81,025</u>	<u>95,528</u>	<u>14,503</u>
Expenditures				
Food Service Operations				
Personnel Services	25,972	17,281	17,280	1
Employee Benefits	12,881	9,044	6,583	2,461
Supplies	42,631	65,437	64,393	1,044
Total Food Service Operations	<u>81,484</u>	<u>91,762</u>	<u>88,256</u>	<u>3,506</u>
Total Expenditures	<u>81,484</u>	<u>91,762</u>	<u>88,256</u>	<u>3,506</u>
Excess (Deficiency) of Revenues Over Expenditures	(459)	(10,737)	7,272	18,009
Cash Balance Beginning of Year	<u>10,837</u>	<u>10,837</u>	<u>10,837</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,378</u>	<u>\$ 100</u>	<u>\$ 18,109</u>	<u>\$ 18,009</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,272	
Net change in Inventory			(16)	
Net change in Accounts Payable			(697)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,559</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 9,556	\$ 9,547	\$ 7,578	\$ (1,969)
Interest Income	0	0	283	283
Total Revenues	<u>9,556</u>	<u>9,547</u>	<u>7,861</u>	<u>(1,686)</u>
Expenditures				
Instruction				
Professional & Tech Services	10	100	100	0
Purchased Services	<u>10,746</u>	<u>10,647</u>	<u>8,625</u>	<u>2,022</u>
Total Instruction	<u>10,756</u>	<u>10,747</u>	<u>8,725</u>	<u>2,022</u>
Total Expenditures	<u>10,756</u>	<u>10,747</u>	<u>8,725</u>	<u>2,022</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,200)	(1,200)	(864)	336
Cash Balance Beginning of Year	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 336</u>	<u>\$ 336</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (864)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (864)</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 76,619	\$ 78,642	\$ 78,434	\$ (208)
Total Revenues	<u>76,619</u>	<u>78,642</u>	<u>78,434</u>	<u>(208)</u>
Expenditures				
Instruction				
Personnel Services	27,469	22,708	22,708	0
Employee Benefits	<u>7,375</u>	<u>6,509</u>	<u>6,464</u>	<u>45</u>
Total Instruction	<u>34,844</u>	<u>29,217</u>	<u>29,172</u>	<u>45</u>
Support Services-School Administration				
Personnel Services	14,848	21,393	21,393	0
Employee Benefits	<u>4,749</u>	<u>5,854</u>	<u>5,854</u>	<u>0</u>
Total Support Services-School Administration	<u>19,597</u>	<u>27,247</u>	<u>27,247</u>	<u>0</u>
Total Expenditures	<u>54,441</u>	<u>56,464</u>	<u>56,419</u>	<u>45</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>22,178</u>	<u>22,178</u>	<u>22,015</u>	<u>(163)</u>
Other Financing Sources (Uses)				
Transfer In(Out)	<u>0</u>	<u>0</u>	<u>163</u>	<u>163</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>163</u>	<u>163</u>
Net Change in Fund Balance	22,178	22,178	22,178	0
Cash Balance Beginning of Year	<u>(22,178)</u>	<u>(22,178)</u>	<u>(22,178)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (163)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,178	
Net change in Accounts Receivable			<u>(22,178)</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MIGRANT-24103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 10,399	\$ 10,399	\$ 7,325	\$ (3,074)
Total Revenues	<u>10,399</u>	<u>10,399</u>	<u>7,325</u>	<u>(3,074)</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Other Purchased Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,399</u>	<u>10,399</u>	<u>7,325</u>	<u>(3,074)</u>
Other Financing Sources (Uses)				
Transfer from Operational	<u>0</u>	<u>0</u>	<u>3,074</u>	<u>3,074</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,074</u>	<u>3,074</u>
Net Change in Fund Balance	10,399	10,399	10,399	0
Cash Balance Beginning of Year	<u>(10,399)</u>	<u>(10,399)</u>	<u>(10,399)</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			\$ 10,399	
Net change in Accounts Receivable			<u>(10,399)</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 31,027	\$ 34,246	\$ 34,544	\$ 298
Total Revenues	<u>31,027</u>	<u>34,246</u>	<u>34,544</u>	<u>298</u>
Expenditures				
Instruction				
Personnel Services	16,323	19,425	19,425	0
Employee Benefits	14,993	15,110	15,110	0
Total Instruction	<u>31,316</u>	<u>34,535</u>	<u>34,535</u>	<u>0</u>
Total Expenditures	<u>31,316</u>	<u>34,535</u>	<u>34,535</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(289)	(289)	9	298
Cash Balance Beginning of Year	<u>289</u>	<u>289</u>	<u>289</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 298</u>	<u>\$ 298</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9	
Net change in Deferred Revenue			(9)	
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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 13,597	\$ 14,719	\$ 15,141	\$ 422
Total Revenues	<u>13,597</u>	<u>14,719</u>	<u>15,141</u>	<u>422</u>
Expenditures				
Instruction				
Personnel Services	0	930	930	0
Employee Benefits	<u>0</u>	<u>192</u>	<u>192</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>1,122</u>	<u>1,122</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,122</u>	<u>1,122</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	13,597	13,597	14,019	422
Cash Balance Beginning of Year	<u>(13,597)</u>	<u>(13,597)</u>	<u>(13,597)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 422</u>	<u>\$ 422</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,019	
Net change in Accounts Receivable			(13,597)	
Net change in Deferred Revenue			<u>(422)</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-COMPETITIVE-24108
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	0	0	0	0
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
Total Instruction	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	1,537	1,537	1,537	0
Cash Balance End of Year	\$ 1,537	\$ 1,537	\$ 1,537	\$ 0
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	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,104	\$ 4,514	\$ 2,494	\$ (2,020)
Total Revenues	<u>3,104</u>	<u>4,514</u>	<u>2,494</u>	<u>(2,020)</u>
Expenditures				
Instruction				
Supplies	2,494	3,465	3,465	0
Total Instruction	<u>2,494</u>	<u>3,465</u>	<u>3,465</u>	<u>0</u>
Support Services-Students				
Purchased Services	0	439	362	77
Total Support Services-Students	<u>0</u>	<u>439</u>	<u>362</u>	<u>77</u>
Total Expenditures	<u>2,494</u>	<u>3,904</u>	<u>3,827</u>	<u>77</u>
Excess (Deficiency) of Revenues Over Expenditures	610	610	(1,333)	(1,943)
Cash Balance Beginning of Year	<u>(610)</u>	<u>(610)</u>	<u>(610)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(1,943)</u>	\$ <u>(1,943)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,333)	
Net change in Accounts Receivable			<u>1,333</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ENHANCING EDUCATION THROUGH EDUCATION-24133
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>2,045</u>	<u>2,045</u>	<u>2,045</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,045</u>	<u>\$ 2,045</u>	<u>\$ 2,045</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			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE V-A-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,153	\$ 1,153	\$ 0	\$ (1,153)
Total Revenues	<u>1,153</u>	<u>1,153</u>	<u>0</u>	<u>(1,153)</u>
Expenditures				
Support Services				
Professional & Tech Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,153</u>	<u>1,153</u>	<u>0</u>	<u>(1,153)</u>
Other Financing Sources (Uses)				
Transfer In	<u>0</u>	<u>0</u>	<u>1,153</u>	<u>1,153</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,153</u>	<u>1,153</u>
Net Change in Fund Balance	1,153	1,153	1,153	0
Cash Balance Beginning of Year	<u>(1,153)</u>	<u>(1,153)</u>	<u>(1,153)</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				
Net Change in Fund Balance			\$ 1,153	
Net change in Due from Grantor			<u>(1,153)</u>	
Net Change in Cash Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE II-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 21,548	\$ 22,754	\$ 19,758	\$ (2,996)
Total Revenues	<u>21,548</u>	<u>22,754</u>	<u>19,758</u>	<u>(2,996)</u>
Expenditures				
Instruction				
Employee Benefits	0	99	99	0
Professional & Tech Services	15,314	18,496	16,079	2,417
Other Purchased Services	<u>3,500</u>	<u>1,425</u>	<u>1,425</u>	<u>0</u>
Total Instruction	<u>18,814</u>	<u>20,020</u>	<u>17,603</u>	<u>2,417</u>
Total Expenditures	<u>18,814</u>	<u>20,020</u>	<u>17,603</u>	<u>2,417</u>
Excess (Deficiency) of Revenues Over Expenditures	2,734	2,734	2,155	(579)
Cash Balance Beginning of Year	<u>(2,734)</u>	<u>(2,734)</u>	<u>(2,734)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (579)</u>	<u>\$ (579)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,155	
Net change in Receivable			(1,013)	
Net change in Payables			<u>(1,142)</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITY-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 986	\$ 986	\$ 786	\$ (200)
Total Revenues	<u>986</u>	<u>986</u>	<u>786</u>	<u>(200)</u>
Expenditures				
Instruction				
Personnel Services	766	766	697	0
Employee Benefits	<u>157</u>	<u>157</u>	<u>137</u>	<u>0</u>
Total Instruction	<u>923</u>	<u>923</u>	<u>834</u>	<u>0</u>
Total Expenditures	<u>923</u>	<u>923</u>	<u>834</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	63	63	(48)	(111)
Cash Balance Beginning of Year	<u>(63)</u>	<u>(63)</u>	<u>(63)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (111)</u>	<u>\$ (111)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (48)	
Net change in Receivable			<u>48</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-READING FIRST-24167
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Employee Benefits	0	0	0	0
Professional & Tech Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfer In	<u>4,083</u>	<u>4,083</u>	<u>4,083</u>	<u>0</u>
Total Other Sources (Uses)	<u>4,083</u>	<u>4,083</u>	<u>4,083</u>	<u>0</u>
Net Change in Fund Balance	4,083	4,083	4,083	0
Cash Balance Beginning of Year	<u>(4,083)</u>	<u>(4,083)</u>	<u>(4,083)</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				
Net Change in Fund Balance			\$ 4,083	
Net change in Receivables			<u>(4,083)</u>	
Net Change in Cash Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-CARL PERKINS-24180
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 28,463	\$ 27,124	\$ 26,829	\$ (295)
Total Revenues	<u>28,463</u>	<u>27,124</u>	<u>26,829</u>	<u>(295)</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	247	247	0
Professional & Tech Services	3,800	4,337	4,337	0
Other Purchased Services	3,730	3,388	3,388	0
Supplies	0	242	240	2
Total Instruction	<u>7,530</u>	<u>8,214</u>	<u>8,212</u>	<u>2</u>
Support Services-Instruction				
Professional & Tech Services	508	523	523	0
Other Purchased Services	1,992	2,032	2,032	0
Total Support Services-Instruction	<u>2,500</u>	<u>2,555</u>	<u>2,555</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	508	215	215	0
Other Purchased Services	1,992	1,401	1,401	0
Support Services-General Administration	<u>2,500</u>	<u>1,616</u>	<u>1,616</u>	<u>0</u>
Support Services-School Administration				
Employee Benefits	0	62	62	0
Professional & Tech Services	1,015	2,440	2,440	0
Other Purchased Services	4,985	2,304	2,304	0
Support Services-School Administration	<u>6,000</u>	<u>4,806</u>	<u>4,806</u>	<u>0</u>
Total Expenditures	\$ <u>18,530</u>	\$ <u>17,191</u>	\$ <u>17,189</u>	\$ <u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,933	\$ 9,933	\$ 9,640	\$ (293)
Cash Balance Beginning of Year	<u>(9,933)</u>	<u>(9,933)</u>	<u>(9,933)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(293)</u>	\$ <u>(293)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,640	
Net change in Due from Grantor			<u>(9,640)</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 0	\$ 12,883	\$ 17,822	\$ 4,939
Total Revenues	<u>0</u>	<u>12,883</u>	<u>17,822</u>	<u>4,939</u>
Expenditures				
Support Services-Students				
Professional & Tech Services	0	278	278	0
Purchased Services	0	292	292	0
Supplies	3,337	5,625	5,625	0
Supply Assets	0	10,025	8,284	1,741
Total Support Services-Students	<u>3,337</u>	<u>16,220</u>	<u>14,479</u>	<u>1,741</u>
Total Expenditures	<u>3,337</u>	<u>16,220</u>	<u>14,479</u>	<u>1,741</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,337)	(3,337)	3,343	6,680
Cash Balance Beginning of Year	<u>3,337</u>	<u>3,337</u>	<u>3,337</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>6,680</u>	\$ <u>6,680</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>3,343</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>3,343</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-REAP-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,822	\$ 8,064	\$ 2,931	\$ (5,133)
Total Revenues	<u>3,822</u>	<u>8,064</u>	<u>2,931</u>	<u>(5,133)</u>
Expenditures				
Instruction				
Personnel Services	0	2,270	2,270	0
Employee Benefits	0	1,128	1,128	0
Professional & Tech Services	5,595	2,057	2,057	0
Other Purchased Services	0	1,882	1,882	0
Total Instruction	<u>5,595</u>	<u>7,337</u>	<u>7,337</u>	<u>0</u>
Support Services-School Administration				
Employee Benefits	0	327	327	0
Professional & Tech Services	0	2,173	2,173	0
Total Support Services-School Administration	<u>0</u>	<u>2,500</u>	<u>2,500</u>	<u>0</u>
Total Expenditures	<u>5,595</u>	<u>9,837</u>	<u>9,837</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,773)	(1,773)	(6,906)	(5,133)
Cash Balance Beginning of Year	<u>1,773</u>	<u>1,773</u>	<u>1,773</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,133)</u>	<u>\$ (5,133)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,906)	
Net change in Receivables			5,133	
Net change in Deferred Revenue			1,773	
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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 7,899	\$ 4,387	\$ (3,512)
Total Revenues	<u>0</u>	<u>7,899</u>	<u>4,387</u>	<u>(3,512)</u>
Expenditures				
Instruction				
Supplies	0	758	758	0
Supply Assets	3,037	3,630	3,630	0
Total Instruction	<u>3,037</u>	<u>4,388</u>	<u>4,388</u>	<u>0</u>
Operations & Maintenance of Plant				
Purchased Property Services	0	373	373	0
Supply Assets	0	7,188	7,188	0
Total Operations & Maintenance of Plant	<u>0</u>	<u>7,561</u>	<u>7,561</u>	<u>0</u>
Total Expenditures	<u>3,037</u>	<u>11,949</u>	<u>11,949</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,037)	(4,050)	(7,562)	(3,512)
Cash Balance Beginning of Year	<u>12,070</u>	<u>12,070</u>	<u>12,070</u>	<u>0</u>
Cash Balance End of Year	\$ <u>9,033</u>	\$ <u>8,020</u>	\$ <u>4,508</u>	\$ <u>(3,512)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(7,562)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(7,562)</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	3,134	3,070	64
Total Instruction	<u>0</u>	<u>3,134</u>	<u>3,070</u>	<u>64</u>
Total Expenditures	<u>0</u>	<u>3,134</u>	<u>3,070</u>	<u>64</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,134)	(3,070)	64
Cash Balance Beginning of Year	<u>3,847</u>	<u>3,847</u>	<u>3,847</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,847</u>	<u>\$ 713</u>	<u>\$ 777</u>	<u>\$ 64</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,070)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,070)</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY GO BONDS 2004-27145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 3,004	\$ 3,004	\$ 0	\$ (3,004)
Total Revenues	<u>3,004</u>	<u>3,004</u>	<u>0</u>	<u>(3,004)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,004	3,004	0	(3,004)
Cash Balance Beginning of Year	<u>(3,004)</u>	<u>(3,004)</u>	<u>(3,004)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,004)</u>	<u>\$ (3,004)</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	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 4,012	\$ 4,012
Total Revenues	<u>0</u>	<u>0</u>	<u>4,012</u>	<u>4,012</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	4,012	4,012
Cash Balance Beginning of Year	<u>2,847</u>	<u>2,847</u>	<u>2,847</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,847</u>	<u>\$ 2,847</u>	<u>\$ 6,859</u>	<u>\$ 4,012</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>4,012</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,012</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 2,880	\$ 2,880	\$ 0
Total Revenues	<u>0</u>	<u>2,880</u>	<u>2,880</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	2,880	2,880	0
Total Instruction	<u>0</u>	<u>2,880</u>	<u>2,880</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>2,880</u>	<u>2,880</u>	<u>0</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			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STUDENT TRAVEL-27165
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,106	\$ 2,106	\$ 0	\$ (2,106)
Total Revenues	<u>2,106</u>	<u>2,106</u>	<u>0</u>	<u>(2,106)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,106	2,106	0	(2,106)
Cash Balance Beginning of Year	<u>(2,106)</u>	<u>(2,106)</u>	<u>(2,106)</u>	<u>(2,106)</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,106)</u>	<u>\$ (4,212)</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	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 9,229	\$ 9,229	\$ 0	\$ (9,229)
Total Revenues	<u>9,229</u>	<u>9,229</u>	<u>0</u>	<u>(9,229)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	9,229	9,229	0	(9,229)
Cash Balance Beginning of Year	<u>(9,229)</u>	<u>(9,229)</u>	<u>(9,229)</u>	<u>(9,229)</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,229)</u>	<u>\$ (9,229)</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	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 37,092	\$ 37,085	\$ (7)
Total Revenues	<u>0</u>	<u>37,092</u>	<u>37,085</u>	<u>(7)</u>
Expenditures				
Instruction				
Personnel Services	0	9,568	9,568	0
Employee Benefits	0	6,367	6,367	0
Total Instruction	<u>0</u>	<u>15,935</u>	<u>15,935</u>	<u>0</u>
Support Services-Instruction				
Personnel Services	0	10,748	10,748	0
Employee Benefits	0	3,276	3,273	3
Total Support Services-Instruction	<u>0</u>	<u>14,024</u>	<u>14,021</u>	<u>3</u>
Central Services				
Personnel Services	0	5,040	5,040	0
Employee Benefits	0	2,093	2,089	4
Total Central Services	<u>0</u>	<u>7,133</u>	<u>7,129</u>	<u>4</u>
Total Expenditures	<u>0</u>	<u>37,092</u>	<u>37,085</u>	<u>7</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	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL REVITALIZATION-27503
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 9,839	\$ 0	\$ (9,839)
Total Revenues	<u>0</u>	<u>9,839</u>	<u>0</u>	<u>(9,839)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	1,589	1,589	0
Supply Assets	0	8,250	6,391	1,859
Total Instruction	<u>0</u>	<u>9,839</u>	<u>7,980</u>	<u>1,859</u>
Total Expenditures	<u>0</u>	<u>9,839</u>	<u>7,980</u>	<u>1,859</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(7,980)	(7,980)
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>\$ (7,980)</u>	<u>\$ (7,980)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,980)	
Net change in Due from Grantor			<u>7,980</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
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NM OUTDOOR CLASSROOM-27504
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 2,000	\$ 0	\$ (2,000)
Total Revenues	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Expenditures				
Instruction				
Purchased Services	0	1,369	1,369	0
Supplies	<u>0</u>	<u>631</u>	<u>631</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,000)	(2,000)
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>\$ (2,000)</u>	<u>\$ (2,000)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,000)	
Net change in Due from Grantor			<u>2,000</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.

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY BOOKS-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 489	\$ 489
Total Revenues	<u>0</u>	<u>0</u>	<u>489</u>	<u>489</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	489	489
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>\$ 489</u>	<u>\$ 489</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 489	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 489</u>	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SPECIAL SCHOOL CAPITAL OUTLAY-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Expenditures				
Capital Outlay				
Purchased Property Services	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>63</u>	<u>63</u>	<u>63</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</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	

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 57,103	\$ 84,208	\$ 88,820	\$ 4,612
State Grant	0	16,290	16,290	0
Total Revenues	<u>57,103</u>	<u>100,498</u>	<u>105,110</u>	<u>4,612</u>
Expenditures				
Instruction				
Supplies	0	6,498	6,498	0
Total Instruction	<u>0</u>	<u>6,498</u>	<u>6,498</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	248	266	266	0
Total Support Services-General Administration	<u>248</u>	<u>266</u>	<u>266</u>	<u>0</u>
Operation & Maintenance of Plant				
Purchased Property Services	17,463	28,728	28,728	0
Supplies	4,000	8,295	8,295	0
Supply Assets	16,290	18,646	18,646	0
Total Operation & Maintenance of Plant	<u>37,753</u>	<u>55,669</u>	<u>55,669</u>	<u>0</u>
Capital Outlay				
Purchased Property Services	17,500	27,717	27,717	0
Fixed Assets	2,379	11,125	11,125	0
Total Capital Outlay	<u>19,879</u>	<u>38,842</u>	<u>38,842</u>	<u>0</u>
Total Expenditures	<u>57,880</u>	<u>101,275</u>	<u>101,275</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(777)	(777)	3,835	4,612
Cash Balance Beginning of Year	<u>777</u>	<u>777</u>	<u>777</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,612</u>	<u>\$ 4,612</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,835	
Net change in Taxes Receivable			(1,676)	
Net change in Accounts Payable			(1,447)	
Net change in Deferred Revenue			731	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,443</u>	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

		Balance 06/30/08	Additions	Deletions	Balance 06/30/09
ASSETS					
23001	General	\$ 100	\$ 969	\$ 1,045	\$ 24
23002	In/Out	36	500	433	103
23003	Gift Fund	14	0	0	14
23004	Class of 2019	0	130	107	23
23005	Library	1,009	108	77	1,040
23006	Carnival	365	58	45	378
23007	Student Council	795	945	1,051	689
23008	Superintendent	8	0	0	8
23009	FHA	141	0	0	141
23010	Principals	68	101	57	112
23011	First Grade	819	23	368	474
23012	Honor Society	669	0	170	499
23013	Cheerleaders	72	0	0	72
23014	Industrial Arts	957	0	0	957
23015	Scholarship 2	149	0	149	0
23016	Kindergarten	91	2,302	1,454	939
23017	12th Grade	7	122	49	80
23018	11th Grade	126	0	0	126
23019	10th Grade	547	0	475	72
23020	8th Grade	524	1,740	942	1,322
23021	Resource Room	137	0	0	137
23022	2nd Grade	249	392	459	182
23023	Yearbook	2,072	1,860	1,289	2,643
23024	Arts & Crafts	252	0	0	252
23025	Scholarship	77	0	77	0
23026	3rd Grade	529	259	0	788
23027	4th Grade	182	67	0	249
23028	5th Grade	381	111	0	492
23029	6th Grade	940	84	42	982
23030	7th Grade	212	50	17	245
23031	8th Grade	261	1,516	1,763	14
23032	PTO	16	0	0	16
23033	School Museum	63	0	0	63
23034	Accelerated Reader	6	1,475	709	772
23035	Athletic Boosters	2,969	10,080	9,040	4,009
23036	TNT	9,222	8,000	11,834	5,388
23037	Panther Outpost	622	378	20	980
23038	Student Health	338	0	19	319
23039	Technology	626	0	0	626
23040	MENSA	1	0	0	1
23041	NMPSIA Insurance	59,720	321,793	330,100	51,413
23042	SADD	\$ 159	\$ 0	\$ 0	\$ 159

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

		Balance 06/30/08	Additions	Deletions	Balance 06/30/09
23043	Pre-school	\$ 4	\$ 0	0	\$ 4
23044	PNM Science Grant	46	0	0	46
23045	FFA/AG	170	4,604	4,773	1
23046	LA's Best	453	0	0	453
23047	PBS Award	750	0	0	750
23048	Elk Lodge Grant	1,800	0	0	1,800
23049	Summer School	1,641	490	50	2,081
23050	NM 6-Man Football	1,861	5,506	3,989	3,378
23051	Project Celebration	1,157	0	96	1,061
23052	District 8-A	5,232	4,777	5,078	4,931
23053	State Rings/Shirts	444	0	0	444
23054	Panther Invitational	2,178	4,670	3,745	3,103
23057	Fees & Fines	330	286	171	445
23058	Class of 2021	0	123	54	69
23059	Regional School Board	0	65	0	65
	Total Assets	<u>\$ 101,597</u>	<u>\$ 373,584</u>	<u>\$ 379,747</u>	<u>\$ 95,434</u>
LIABILITIES					
	Deposits Held for Others	<u>\$ 101,597</u>	<u>\$ 373,584</u>	<u>\$ 379,747</u>	<u>\$ 95,434</u>
	Total Liabilities	<u>\$ 101,597</u>	<u>\$ 373,584</u>	<u>\$ 379,747</u>	<u>\$ 95,434</u>

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

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2009

		Beginning Cash Balance 6/30/08	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance 6/30/09
Operational	11000	\$ 4,546	\$ 2,450,859	\$ 2,414,724	\$ (8,474)	32,207
Teacherage	12000	21,776	16,675	18,770		19,681
Transportation	13000	2	135,150	135,150		2
Instructional Materials	14000	4,727	24,722	19,781		9,668
Food Services	21000	10,837	95,528	88,257		18,108
Athletics	22000	1,201	7,860	8,725		336
Federal Flowthrough	24000	(60,878)	185,310	131,531	8,474	1,375
Federal Direct	25000	5,110	20,753	24,316		1,547
State Flowthrough	27000	4,424	48,854	64,964		(11,686)
Bond Building	31100	0	470,000	69,843		400,157
Special Capital Outlay State	31400	63	100,000	100,000		63
SB-9	31700	777	105,110	101,275		4,612
Debt Service	41000	143,876	246,277	124,872		265,281
Agency Funds		101,597	373,585	379,746		95,436
Total		\$ <u>238,058</u>	\$ <u>4,280,683</u>	\$ <u>3,681,954</u>	\$ <u>0</u>	\$ <u>836,787</u>

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

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 LAKE ARTHUR MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund, and the combining individual funds presented as supplemental information of the LAKE ARTHUR MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 5, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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, a 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 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 the audit, and that, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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

De'Ann Willoughby CPA PC

November 5, 2009

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Schedule of Findings and Responses
For the Year Ended June 30, 2009

Prior Year Audit Findings

There were no prior year audit findings.

Current Year Audit Findings

There were 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 5, 2009. Those present were Michael Grossman-Superintendent, Jennifer Fields-Business Manager, John Jackson-School Board President, and De'Aun Willoughby-CPA.