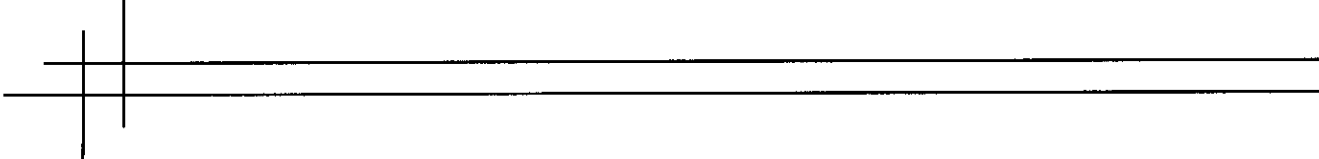




STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2010

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



STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
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 For the Year Ended June 30, 2010

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LAKE ARTHUR MUNICIPAL SCHOOLS
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LAKE ARTHUR MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Official Roster
For the Year Ended June 30, 2010

BOARD OF EDUCATION

John Jackson	President
Edward Rubio, Jr.	Vice-President
Irma Guillen	Secretary
Alan Lard	Member
Gene Bassett	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, and the budgetary comparisons for the general fund and major special revenue funds of LAKE ARTHUR MUNICIPAL SCHOOLS (District), as of and for the year ended June 30, 2010, 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, 2010, 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, 2010, and the respective changes in financial position, thereof 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, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project 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 our report dated November 12, 2010, 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 *Government 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 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'Aun Willoughby, CPA PC

November 12, 2010

FINANCIAL SECTION

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
 Government Wide-Statement of Net Assets
 June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 842,637
Property Taxes Receivable	21,907
Due from Grantor	94,997
Inventory	1,584
Total Current Assets	<u>961,125</u>
Noncurrent Assets	
Capital Assets	8,841,968
Less: Accumulated Depreciation	<u>(4,101,845)</u>
Total Noncurrent Assets	<u>4,740,123</u>
Total Assets	<u>5,701,248</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	10,506
Accrued Interest	19,362
Deferred Revenue	5,639
Current Portion of Long-Term Debt	90,000
Total Current Liabilities	<u>125,507</u>
Noncurrent Liabilities	
Bonds and Notes, Net	1,708,826
Compensated Absences	<u>16,253</u>
Total Noncurrent Liabilities	<u>1,725,079</u>
Total Liabilities	<u>1,850,586</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	2,941,297
Restricted for	
Capital Projects	522,371
Debt Service	157,820
Unrestricted	<u>229,174</u>
Total Net Assets	<u>\$ 3,850,662</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, 2010

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	\$ 1,805,976	\$ 6,549	\$ 265,152	\$ 0	\$ (1,534,275)
Support Services-Students	315,370	17,212	152,172	0	(145,986)
Support Services-Instruction	103,940	0	20,735	0	(83,205)
General Administration	146,808	0	2,906	0	(143,902)
School Administration	177,590	0	27,744	0	(149,846)
Central Services	105,739	0	7,949	0	(97,790)
Operation of Plant	402,674	17,413	45,901	0	(339,360)
Student Transportation	154,624	0	144,027	0	(10,597)
Food Services	118,546	6,266	92,156	0	(20,124)
Interest on Long-Term Obligations	85,993	0	0	0	(85,993)
Total Governmental Activities	\$ 3,417,260	\$ 47,440	\$ 758,742	\$ 0	(2,611,078)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					25,796
Property Taxes, Levied for Capital Projects					96,963
Property Taxes, Levied for Debt Service					105,479
Federal and State aid not restricted to specific purpose					
General					2,318,984
Capital					15,447
Interest and investment earnings					2,320
Miscellaneous					4,442
Subtotal, General Revenues					2,569,431
Change in Net Assets					(41,647)
Net Assets - beginning					3,892,309
Net Assets - ending					<u>\$ 3,850,662</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, 2010

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 2,858	\$ 66
Receivables			
Property Taxes	2,894	0	0
Due from Grantor	0	0	0
Interfund Balance	66,676	28,321	0
Inventory	0	0	0
Total Assets	\$ 69,570	\$ 31,179	\$ 66
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 10,349	\$ 157	\$ 0
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	10,349	157	0
Fund Balances			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	59,221	31,022	66
Total Fund Balances	59,221	31,022	66
Total Liabilities and Fund Balances	\$ 69,570	\$ 31,179	\$ 66

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, 2010

	General Fund	Special Revenue	
	Instructional Materials 14000	IDEA B 24106	IDEA B Recovery Act 24206
ASSETS			
Cash and Cash Equivalents	\$ 276	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	26,578	19,316
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	\$ 276	\$ 26,578	\$ 19,316
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	26,578	19,316
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	26,578	19,316
Fund Balances			
Reserved for			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	276	0	0
Total Fund Balances	276	0	0
Total Liabilities and Fund Balances	\$ 276	\$ 26,578	\$ 19,316

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, 2010

	Bond Building 31100	Debt Service 41000	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 475,812	\$ 193,763	\$ 169,862
Receivables			
Property Taxes	0	7,417	11,596
Due from Grantor	0	0	49,103
Interfund Balance	0	0	0
Inventory	0	0	1,584
Total Assets	<u>\$ 475,812</u>	<u>\$ 201,180</u>	<u>\$ 232,145</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	49,103
Current Portion Due			
Principal	0	35,000	0
Interest	0	8,423	0
Deferred Revenue	0	0	5,639
Total Liabilities	<u>0</u>	<u>43,423</u>	<u>54,742</u>
Fund Balances			
Reserved for			
Inventory	0	0	1,584
Special Revenue Funds	0	0	129,197
Capital Projects	475,812	0	46,559
Debt Service	0	157,757	63
Unreserved, Undesignated, reported in			
General Fund	0	0	0
Total Fund Balances	<u>475,812</u>	<u>157,757</u>	<u>177,403</u>
Total Liabilities and Fund Balances	<u>\$ 475,812</u>	<u>\$ 201,180</u>	<u>\$ 232,145</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, 2010

	Total Governmental Funds
ASSETS	
Cash and Cash Equivalents	\$ 842,637
Receivables	
Property Taxes	21,907
Due from Grantor	94,997
Interfund Balance	94,997
Inventory	1,584
Total Assets	\$ 1,056,122
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 10,506
Interfund Balances	94,997
Current Portion Due	
Principal	35,000
Interest	8,423
Deferred Revenue	5,639
Total Liabilities	154,565
Fund Balances	
Reserved for	
Inventory	1,584
Special Revenue Funds	129,197
Capital Projects	522,371
Debt Service	157,820
Unreserved, Undesignated, reported in	
General Fund	90,585
Total Fund Balances	901,557
Total Liabilities and Fund Balances	\$ 1,056,122

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, 2010

Total Fund Balance - Governmental Funds \$ 901,557

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

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	\$ 8,841,968	
Accumulated depreciation is	<u>(4,101,845)</u>	4,740,123

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-term and other liabilities at year end consist of :

Bonds payable	(1,920,000)	
Accrued interest on bonds	(10,939)	
Bond Issue Costs	220,274	
Accumulated Amortization	(64,100)	
Compensated Absences	<u>(16,253)</u>	<u>(1,791,018)</u>

Total net assets - governmental activities \$ 3,850,662

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, 2010

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 26,636	\$ 0	\$ 0
Interest Income	2,240	0	0
Fees	0	17,413	0
State & Local Grants	2,318,634	0	142,307
Federal Grants	350	0	0
Miscellaneous	4,215	0	0
Total Revenues	2,352,075	17,413	142,307
Expenditures			
Current			
Instruction	1,232,196	0	0
Support Services-Students	212,772	0	0
Support Services-Instruction	87,488	0	0
Support Services-General Administration	149,103	0	0
Support Services-School Administration	149,751	0	0
Central Services	97,078	0	0
Operation & Maintenance of Plant	331,453	5,910	0
Student Transportation	10,150	0	142,244
Food Services	42,690	0	0
Capital Outlay	5,376	0	0
Debt Service			
Bond Issue Cost	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	2,318,057	5,910	142,244
Excess (Deficiency) of Revenues Over Expenditures	34,018	11,503	63
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	34,018	11,503	63
Fund Balances at Beginning of Year	25,203	19,519	2
Fund Balance End of Year	\$ 59,221	\$ 31,022	\$ 65

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, 2010

	General Fund	Special Revenue	
	Instructional Materials 14000	IDEA B 24106	IDEA B Recovery Act 24206
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	6,084	0	0
Federal Grants	0	41,476	39,466
Miscellaneous	227	0	0
Total Revenues	<u>6,311</u>	<u>41,476</u>	<u>39,466</u>
Expenditures			
Current			
Instruction	15,703	35,254	39,466
Support Services-Students	0	6,222	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
Student Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Bond Issue Cost	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>15,703</u>	<u>41,476</u>	<u>39,466</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,392)</u>	<u>0</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	(9,392)	0	0
Fund Balances at Beginning of Year	<u>9,668</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 276</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
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	Bond Building 31100	Debt Service 41000	Other Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 109,035	\$ 106,676
Interest Income	0	0	80
Fees	0	0	30,027
State & Local Grants	0	0	132,320
Federal Grants	0	0	412,536
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>109,035</u>	<u>681,639</u>
Expenditures			
Current			
Instruction	0	0	196,985
Support Services-Students	0	0	93,943
Support Services-Instruction	0	0	14,651
Support Services-General Administration	0	217	3,162
Support Services-School Administration	0	0	27,744
Central Services	0	0	7,949
Operation & Maintenance of Plant	0	0	47,521
Student Transportation	0	0	1,720
Food Services	0	0	73,897
Capital Outlay	333,639	0	80,866
Debt Service			
Bond Issue Cost	45,706	0	0
Principal	0	70,000	0
Interest	0	64,574	0
Total Expenditures	<u>379,345</u>	<u>134,791</u>	<u>548,438</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(379,345)</u>	<u>(25,756)</u>	<u>133,201</u>
Other Financing Sources (Uses)			
Bond Proceeds	455,000	0	0
Total Other Sources (Uses)	<u>455,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	75,655	(25,756)	133,201
Fund Balances at Beginning of Year	<u>400,157</u>	<u>183,513</u>	<u>44,202</u>
Fund Balance End of Year	<u>\$ 475,812</u>	<u>\$ 157,757</u>	<u>\$ 177,403</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, 2010

	Total Governmental Funds
Revenues	
Property Taxes	\$ 242,347
Interest Income	2,320
Fees	47,440
State & Local Grants	2,599,345
Federal Grants	493,828
Miscellaneous	4,442
Total Revenues	<u>3,389,722</u>
Expenditures	
Current	
Instruction	1,519,604
Support Services-Students	312,937
Support Services-Instruction	102,139
Support Services-General Administration	152,482
Support Services-School Administration	177,495
Central Services	105,027
Operation & Maintenance of Plant	384,884
Student Transportation	154,114
Food Services	116,587
Capital Outlay	419,881
Debt Service	
Bond Issue Cost	45,706
Principal	70,000
Interest	64,574
Total Expenditures	<u>3,625,430</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(235,708)</u>
Other Financing Sources (Uses)	
Bond Proceeds	455,000
Total Other Sources (Uses)	<u>455,000</u>
Net Change in Fund Balance	219,292
Fund Balances at Beginning of Year	<u>682,264</u>
Fund Balance End of Year	<u><u>901,556</u></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, 2010

Net Change in Fund Balance \$ 219,292

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. (14,109)

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.

Depreciation expense	\$ (306,040)	
Capital Outlays	<u>419,881</u>	113,841

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (455,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 70,000

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

Accrued Interest, June 30, 2009	6,969	
Accrued Interest, June 30, 2010	<u>(10,939)</u>	(3,970)

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	45,706	
Amortization of Issue Costs	<u>(17,449)</u>	28,257

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.

Compensated Absences, June 30, 2009	16,295	
Compensated Absences, June 30, 2010	<u>(16,253)</u>	<u>42</u>

Change in Net Assets of Governmental Activities \$ (41,647)

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 13,141	\$ 13,141	\$ 24,437	\$ 11,296
Interest Income	706	706	2,240	1,534
State Grant	2,303,045	2,329,785	2,318,634	(11,151)
Federal Grant	403	403	350	(53)
Miscellaneous	0	0	4,215	4,215
Total Revenues	2,317,295	2,344,035	2,349,876	5,841
Expenditures				
Instruction				
Personnel Services	900,601	872,886	866,146	6,740
Employee Benefits	293,848	280,406	265,622	14,784
Professional & Tech Services	19,594	18,672	17,217	1,455
Purchased Property Services	5,309	8,359	8,314	45
Purchased Services	10,307	21,399	18,982	2,417
Supplies	22,923	49,366	47,244	2,122
Supply Assets	0	9,796	9,570	226
Total Instruction	1,252,582	1,260,884	1,233,095	27,789
Support Services-Students				
Personnel Services	85,867	90,831	90,828	3
Employee Benefits	29,961	30,283	30,278	5
Professional & Tech Services	122,300	71,589	71,586	3
Purchased Services	13,900	14,238	13,935	303
Supplies	7,205	6,145	6,145	0
Total Support Service-Students	259,233	213,086	212,772	314
Support Services-Instruction				
Personnel Services	65,236	65,236	65,229	7
Employee Benefits	21,911	21,832	21,821	11
Professional & Tech Services	160	160	106	54
Purchased Services	255	255	161	94
Supplies	500	670	170	500
Total Support Services-Instruction	88,062	88,153	87,487	666
Support Services-General Administration				
Personnel Services	99,592	90,322	89,250	1,072
Employee Benefits	31,736	29,338	28,088	1,250
Professional & Tech Services	18,138	13,462	13,351	111
Purchased Property Services	6,765	6,924	6,851	73
Purchased Services	6,450	9,336	9,229	107
Supplies	2,000	2,934	1,878	1,056
Total Support Services-General Administration	\$ 164,681	\$ 152,316	\$ 148,647	\$ 3,669

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 103,396	\$ 107,970	\$ 107,964	\$ 6
Employee Benefits	28,966	30,793	30,611	182
Professional & Tech Services	7,829	4,300	3,584	716
Purchased Property Services	6,000	6,000	5,927	73
Purchased Services	560	643	643	0
Supplies	500	673	673	0
Total Support Services-School Administration	<u>147,251</u>	<u>150,379</u>	<u>149,402</u>	<u>977</u>
Central Services				
Personnel Services	63,782	62,654	61,589	1,065
Employee Benefits	24,007	23,764	21,863	1,901
Professional & Tech Services	3,850	4,580	4,580	0
Purchased Property Services	6,560	6,000	5,927	73
Purchased Services	200	828	827	1
Supplies	500	2,664	2,663	1
Total Central Services	<u>98,899</u>	<u>100,490</u>	<u>97,449</u>	<u>3,041</u>
Operation & Maintenance of Plant				
Personnel Services	76,710	78,066	76,081	1,985
Employee Benefits	31,211	21,255	20,049	1,206
Professional & Tech Services	11,873	10,631	10,631	0
Purchased Property Services	120,559	121,137	111,931	9,206
Purchased Services	15,000	43,597	43,596	1
Supplies	30,000	37,009	36,128	881
Fixed Assets	0	10,792	5,375	5,417
Supply Assets	0	29,922	29,921	1
Total Operation & Maintenance of Plant	<u>285,353</u>	<u>352,409</u>	<u>333,712</u>	<u>18,697</u>
Transportation				
Personnel Services	7,929	8,978	7,322	1,656
Employee Benefits	3,847	5,193	1,923	3,270
Purchased Property Services	0	0	323	(323)
Purchased Services	0	584	584	0
Total Transportation	<u>\$ 11,776</u>	<u>\$ 14,755</u>	<u>\$ 10,152</u>	<u>\$ 4,603</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Food Services				
Personnel Services	\$ 32,823	\$ 33,169	\$ 32,494	\$ 675
Employee Benefits	14,007	10,183	10,187	(4)
Purchased Services	0	0	0	0
Supplies	0	11	10	1
Total Food Services	<u>46,830</u>	<u>43,363</u>	<u>42,691</u>	<u>672</u>
Total Expenditures	<u>2,354,667</u>	<u>2,375,835</u>	<u>2,315,407</u>	<u>60,428</u>
Excess (Deficiency) of Revenues Over Expenditures	(37,372)	(31,800)	34,469	66,269
Cash Balance Beginning of Year	<u>32,207</u>	<u>32,207</u>	<u>32,207</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (5,165)</u>	<u>\$ 407</u>	<u>\$ 66,676</u>	<u>\$ 66,269</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 34,469	
Net change in Taxes Receivable			1,388	
Net change in Accounts Payable			(2,649)	
Net change in Deferred Revenue			810	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 34,018</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Rents & Leases	\$ 18,000	\$ 18,000	\$ 17,413	\$ (587)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>17,413</u>	<u>(587)</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	2,676	2,126	1,572	554
Purchased Services	2,500	4,609	3,550	1,059
Supplies	5,000	4,500	793	3,707
Total Operation & Maintenance of Plant	<u>10,176</u>	<u>11,235</u>	<u>5,915</u>	<u>5,320</u>
Total Expenditures	<u>10,176</u>	<u>11,235</u>	<u>5,915</u>	<u>5,320</u>
Excess (Deficiency) of Revenues Over Expenditures	7,824	6,765	11,498	4,733
Cash Balance Beginning of Year	<u>19,681</u>	<u>19,681</u>	<u>19,681</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 27,505</u>	<u>\$ 26,446</u>	<u>\$ 31,179</u>	<u>\$ 4,733</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,498	
Net change in Accounts Payable			<u>5</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 11,503</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 124,602	\$ 142,307	\$ 142,307	\$ 0
Total Revenues	<u>124,602</u>	<u>142,307</u>	<u>142,307</u>	<u>0</u>
Expenditures				
Support Services				
Personnel Services	32,896	26,795	26,795	0
Employee Benefits	16,485	15,332	15,269	63
Purchased Property Services	0	19,590	19,590	0
Purchased Services	75,221	80,590	80,589	1
Total Support Services	<u>124,602</u>	<u>142,307</u>	<u>142,243</u>	<u>64</u>
Total Expenditures	<u>124,602</u>	<u>142,307</u>	<u>142,243</u>	<u>64</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	64	64
Cash Balance Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 65</u>	<u>\$ 64</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 64</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 64</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 6,084	\$ 17,350	\$ 6,084	\$ (11,266)
Miscellaneous	0	0	227	227
Total Revenues	<u>6,084</u>	<u>17,350</u>	<u>6,311</u>	<u>(11,039)</u>
Expenditures				
Instruction				
Supplies	6,084	17,310	15,703	1,607
Total Instruction	<u>6,084</u>	<u>17,310</u>	<u>15,703</u>	<u>1,607</u>
Support Services-Instruction				
Supplies	0	0	0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>6,084</u>	<u>17,310</u>	<u>15,703</u>	<u>1,607</u>
Excess (Deficiency) of Revenues Over Expenditures	0	40	(9,392)	(9,432)
Cash Balance Beginning of Year	<u>9,668</u>	<u>9,668</u>	<u>9,668</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,668</u>	<u>\$ 9,708</u>	<u>\$ 276</u>	<u>\$ (9,432)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,392)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (9,392)</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-IDEA PART B, ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 41,172	\$ 41,180	\$ 14,600	\$ (26,580)
Total Revenues	<u>41,172</u>	<u>41,180</u>	<u>14,600</u>	<u>(26,580)</u>
Expenditures				
Instruction				
Personnel Services	18,160	11,102	11,103	(1)
Employee Benefits	17,089	3,766	3,763	3
Professional & Tech Services	0	5,272	5,271	1
Purchased Services	0	1,249	1,250	(1)
Supplies	0	8,765	8,764	1
Supply Assets	0	5,100	5,103	(3)
Total Instruction	<u>35,249</u>	<u>35,254</u>	<u>35,254</u>	<u>0</u>
Support Services-Students				
Purchased Services	6,221	6,224	6,222	2
Total Support Service-Students	<u>6,221</u>	<u>6,224</u>	<u>6,222</u>	<u>2</u>
Total Expenditures	<u>41,470</u>	<u>41,478</u>	<u>41,476</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	(298)	(298)	(26,876)	(26,582)
Cash Balance Beginning of Year	<u>298</u>	<u>298</u>	<u>298</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (26,578)</u>	<u>\$ (26,582)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (26,876)	
Net change in Due from Grantor			26,578	
Net change in Deferred Revenue			298	
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-IDEA PART B, RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 39,466	\$ 20,150	\$ (19,316)
Total Revenues	<u>0</u>	<u>39,466</u>	<u>20,150</u>	<u>(19,316)</u>
Expenditures				
Instruction				
Personnel Services	18,732	13,581	13,580	1
Employee Benefits	12,680	8,563	8,558	5
Supplies	0	66	6,887	(6,821)
Supply Assets	0	17,256	10,441	6,815
Total Instruction	<u>31,412</u>	<u>39,466</u>	<u>39,466</u>	<u>0</u>
Total Expenditures	<u>31,412</u>	<u>39,466</u>	<u>39,466</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,412)	0	(19,316)	(19,316)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (31,412)</u>	<u>\$ 0</u>	<u>\$ (19,316)</u>	<u>\$ (19,316)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (19,316)	
Net change in Due from Grantor			19,316	
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
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
June 30, 2010

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 89,075
Total Assets	\$ 89,075
Liabilities	
Deposits Held for Others	\$ 89,075
Total Liabilities	\$ 89,075

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.

IDEA B (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.

IDEA B Recovery Act (24206). 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 American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

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, Transportation, Food Service, Special Revenue Funds such as special education as well as others., 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 provider's 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.

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

Cash and Cash Equivalents

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

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

Investments

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

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund 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.

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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.

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

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

Capital Leases

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

Short -Term Debt

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

Long-Term Liabilities

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

Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

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

Interfund Transactions

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

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

Deferred Revenue

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

Compensated Absences

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.

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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	Balance Per Bank 6/30/09	Reconciled Balance	Type
Name of Account			
Lake Arthur Municipal Schools	\$ 942,345	\$ 799,921	Checking
Payroll Clearing	77,914	0	Checking
Cafeteria	41,920	41,920	Checking
Athletics	795	795	Checking
Activities	90,679	89,076	Checking
TOTAL Deposited	<u>1,153,653</u>	<u>\$ 931,712</u>	
Less: FDIC Coverage	<u>(1,153,653)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

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	\$ 1,153,653
Collateralized:	
Collateral held by the pledging bank in District's name	0
Over insured and over collateralized	0
Total Deposits	<u>\$ 1,153,653</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, 2010 none of the District's bank balance of \$1,153,653 was exposed to custodial credit risk.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances during the year ending June 30, 2010 were as follows:

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>			
	IDEA B 24106	IDEA B Recovery Act 24206	Other Governmental Funds	Total
General Fund	\$ 26,578	\$ 19,316	\$ 49,103	\$ 94,997
Totals	<u>\$ 26,578</u>	<u>\$ 19,316</u>	<u>\$ 49,103</u>	<u>\$ 94,997</u>

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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, 2010:

	Operational	Debt Service	Other Governmental	Total
Property Taxes Receivable:				
Available	\$ 2,894	\$ 7,417	\$ 11,596	\$ 21,907
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	\$ 2,894	\$ 7,417	\$ 11,596	\$ 21,907

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, 2010:

	Other Governmental	Total
Property Taxes	\$ 0	\$ 0
Federal Revenues	5,639	5,639
TOTAL Deferred Revenues	\$ 5,639	\$ 5,639

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2010, is as follows:

	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
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	21,672	333,640	0	355,312
Buildings & Improvements	7,575,870	0		7,575,870
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	809,966	86,241		896,207
Total Capital Assets, being Depreciated	8,407,508	419,881	0	8,827,389
Total Capital Assets	\$ 8,422,087	\$ 419,881	\$ 0	\$ 8,841,968

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Less Accumulated Depreciation

Buildings & Improvements	\$	3,204,646	\$	253,418	\$	0	\$	3,458,064
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		<u>594,159</u>		<u>52,622</u>		<u>0</u>		<u>646,781</u>
Total Accumulated Depreciation		<u>3,798,805</u>		<u>306,040</u>		<u>0</u>		<u>4,104,845</u>
Capital Assets, net	\$	<u>4,623,282</u>	\$	<u>113,841</u>	\$	<u>0</u>	\$	<u>4,737,123</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	262,074
Support Service		2,433
General Administration		1,385
School Administration		95
Operation of Plant		19,994
Food Service		19,549
Transportation		510
Total depreciation expenses	\$	<u>306,040</u>

NOTE G: LONG TERM DEBT

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

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,610,000	\$ 455,000	\$ 110,000	\$ 1,955,000	\$ 90,000
Total Bonds	<u>1,610,000</u>	<u>455,000</u>	<u>110,000</u>	<u>1,955,000</u>	<u>90,000</u>
Other Liabilities					
Compensated					
Absences	16,295	17,371	17,413	16,253	16,253
Total Other	<u>16,295</u>	<u>17,371</u>	<u>17,413</u>	<u>16,253</u>	<u>16,253</u>
Liabilities					
Long-Term					
Liabilities	\$ <u>1,626,295</u>	\$ <u>472,371</u>	\$ <u>127,413</u>	\$ <u>1,971,253</u>	\$ <u>106,253</u>

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.

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Series	Date of Issue	Original Amount	Interest Rate	Balance
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%	390,000
2009	08-15-08	470,000	4%-5.6%	470,000
2010	03-15-2010	455,000	2%-4.35%	455,000
				<u>\$ 1,955,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 90,000	\$ 83,066	\$ 173,066
2012	100,000	79,379	179,379
2013	105,000	75,491	180,491
2014	115,000	71,273	186,273
2015	155,000	66,748	221,748
2016-2020	820,000	248,796	1,068,796
2021-2024	570,000	57,362	627,362
	<u>\$ 1,955,000</u>	<u>\$ 682,115</u>	<u>\$ 2,637,115</u>

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

Note G	\$ 1,955,000
Net Issue Costs/Premium/Discounts on Bond Issues	(220,274)
Accumulated Amortization	64,100
Statement of Net Assets	<u>\$ 1,798,826</u>
Government Wide Statements	
Amount Reported as Current Amount Due	\$ 90,000
Amount Reported as Long-Term Due	1,708,826
Statement of Net Assets	<u>\$ 1,798,826</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 District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Effective July 1, 2009, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$314,482, \$298,510 and \$291,140 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.

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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 Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

Fiscal Year	Employer Contribution	Employee Contribution
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

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

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

The District's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$30,209, \$30,204 and \$30,319 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:

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- 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 \$84,600. The revenues and expenditures in the following special revenue funds:

24106	IDEA B, Entitlement
24107 & 27200	IDEA B, Discretionary
24109	IDEA Preschool

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Bond Proceeds	\$ 455,000	\$ 455,000	\$ 455,000	\$ 0
Total Revenues	<u>455,000</u>	<u>455,000</u>	<u>455,000</u>	<u>0</u>
Expenditures				
Capital Outlay				
Purchased Property Services	470,000	447,462	315,392	132,070
Land Improvements	0	22,538	18,248	4,290
Total Capital Outlay	<u>470,000</u>	<u>470,000</u>	<u>333,640</u>	<u>136,360</u>
Total Expenditures	<u>470,000</u>	<u>470,000</u>	<u>333,640</u>	<u>136,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,000)</u>	<u>(15,000)</u>	<u>121,360</u>	<u>136,360</u>
Other Financing Sources (Uses)				
Bond Issue Cost	0	0	(45,705)	(45,705)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(45,705)</u>	<u>(45,705)</u>
Net Change in Cash Balance	(15,000)	(15,000)	75,655	90,655
Cash Balance Beginning of Year	<u>400,157</u>	<u>400,157</u>	<u>400,157</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 385,157</u>	<u>\$ 385,157</u>	<u>\$ 475,812</u>	<u>\$ 90,655</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 75,655	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 75,655</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 179,068	\$ 179,068	\$ 107,767	\$ (71,301)
Total Revenues	<u>179,068</u>	<u>179,068</u>	<u>107,767</u>	<u>(71,301)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	430	430	217	213
Total Support Services-General Administration	<u>430</u>	<u>430</u>	<u>217</u>	<u>213</u>
Debt Service				
Principal	110,000	110,000	110,000	0
Interest	69,068	69,068	69,068	0
Total Debt Service	<u>179,068</u>	<u>179,068</u>	<u>179,068</u>	<u>0</u>
Total Expenditures	<u>179,498</u>	<u>179,498</u>	<u>179,285</u>	<u>213</u>
Excess (Deficiency) of Revenues Over Expenditures	(430)	(430)	(71,518)	(71,088)
Cash Balance Beginning of Year	265,281	265,281	265,281	0
Cash Balance End of Year	<u>\$ 264,851</u>	<u>\$ 264,851</u>	<u>\$ 193,763</u>	<u>\$ (71,088)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (71,518)	
Net change in Taxes Receivable			(8,822)	
Net change in Current Portion Due-Principal			40,000	
Net change in Current Portion Due-Interest			4,493	
Net change in Deferred Revenue			10,091	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (25,756)</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)).

IDEA B 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.

IDEA B 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.

IDEA B 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.

IDEA B Risk Pool (24120). 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.

Enhancing Education Through Technology (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).

NONMAJOR SPECIAL REVENUE FUNDS

Title V (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).

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)(24182). 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.

Title I Recovery Act (24201). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA Preschool Recovery Act (24209). 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 American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

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).

Rural Education Achievement Program (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.

NONMAJOR SPECIAL REVENUE FUNDS

State Fiscal Stabilization Program Fund (25250). The objectives of this grant are to support and restore funding for elementary and secondary education, to avoid reductions in budgets for education and other essential services in exchange for a commitment to advance essential education reforms. The fund was created by grant provisions.

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 Books (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.

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.

NONMAJOR SPECIAL REVENUE FUNDS

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.

2008 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.

School Based Health Clinic (29130). To account for funds to provide health services to students. 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, 2010

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
ASSETS			
Cash and Cash Equivalents	\$ 41,920	\$ 795	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	10,382
Inventory	1,584	0	0
Total Assets	<u>\$ 43,504</u>	<u>\$ 795</u>	<u>\$ 10,382</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	10,382
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>10,382</u>
Fund Balance			
Reserved for			
Inventory	1,584	0	0
Special Revenue	41,920	795	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>43,504</u>	<u>795</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 43,504</u>	<u>\$ 795</u>	<u>\$ 10,382</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, 2010

	Special Revenue Funds		
	Migrant 24103	IDEA B Discretionary 24107	IDEA B Competitive 24108
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 1,961	\$ 1,537
Receivables			
Property Taxes	0	0	0
Due from Grantor	2,550	0	0
Inventory	0	0	0
Total Assets	<u>\$ 2,550</u>	<u>\$ 1,961</u>	<u>\$ 1,537</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	2,550	0	0
Deferred Revenue	0	1,961	1,537
Total Liabilities	<u>2,550</u>	<u>1,961</u>	<u>1,537</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,550</u>	<u>\$ 1,961</u>	<u>\$ 1,537</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, 2010

	Special Revenue Funds		
	IDEA Preschool 24109	IDEA B Risk Pool 24120	Enhancing Education Through Technology 24133
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 2,045
Receivables			
Property Taxes	0	0	0
Due from Grantor	3,242	382	0
Inventory	0	0	0
Total Assets	<u>\$ 3,242</u>	<u>\$ 382</u>	<u>\$ 2,045</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	3,242	382	0
Deferred Revenue	0	0	2,045
Total Liabilities	<u>3,242</u>	<u>382</u>	<u>2,045</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,242</u>	<u>\$ 382</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, 2010

	Special Revenue Funds		
	Title V 24150	Title II 24154	Safe & Drug Free Schools & Community 24157
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	10,725	929
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 10,725</u>	<u>\$ 929</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	10,725	929
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>10,725</u>	<u>929</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 10,725</u>	<u>\$ 929</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, 2010

	Special Revenue Funds		
	Reading First 24167	Carl Perkins 24180	Carl Perkins Redistribution 24182
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 65	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	3,069
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 65</u>	<u>\$ 3,069</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	3,069
Deferred Revenue	0	65	0
Total Liabilities	<u>0</u>	<u>65</u>	<u>3,069</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 65</u>	<u>\$ 3,069</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, 2010

	Special Revenue Funds		
	Title I	IDEA	
	Recovery Act 24201	Preschool Recovery Act 24209	Medicaid 25153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 4,511
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	1,485	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 1,485</u>	<u>\$ 4,511</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	1,485	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>1,485</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	4,511
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>4,511</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,485</u>	<u>\$ 4,511</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, 2010

	Special Revenue Funds		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250	Technology for Education 27117
ASSETS			
Cash and Cash Equivalents	\$ 31	\$ 0	\$ 1,087
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 31</u>	<u>\$ 0</u>	<u>\$ 1,087</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	31	0	0
Total Liabilities	<u>31</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	1,087
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>1,087</u>
Total Liabilities and Fund Balance	<u>\$ 31</u>	<u>\$ 0</u>	<u>\$ 1,087</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, 2010

	Special Revenue Funds		
	Incentives for School Improvement 27138	Libraries GO Bonds 27145	Beginning Teacher Mentoring 27154
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 8,976
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	3,004	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 3,004</u>	<u>\$ 8,976</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	3,004	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>3,004</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	8,976
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>8,976</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 3,004</u>	<u>\$ 8,976</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, 2010

	Special Revenue Funds		
	Breakfast for Elementary 27155	Student Travel 27165	Library Books 27170
ASSETS			
Cash and Cash Equivalents	\$ 31	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	2,106	9,229
Inventory	0	0	0
Total Assets	<u>\$ 31</u>	<u>\$ 2,106</u>	<u>\$ 9,229</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	2,106	9,229
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>2,106</u>	<u>9,229</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	31	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>31</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 31</u>	<u>\$ 2,106</u>	<u>\$ 9,229</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, 2010

	Special Revenue Funds		
	State Directed Activities 27200	Rural Revitalization 27503	NM Outdoor Classroom 27504
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	2,000
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,000</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	2,000
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>2,000</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,000</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, 2010

	Special Revenue		Capital Projects
	2008 Library Books 27549	School Based Health Clinic 29130	Special School Capital Outlay State 31400
ASSETS			
Cash and Cash Equivalents	\$ 489	\$ 71,388	\$ 63
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 489</u>	<u>\$ 71,388</u>	<u>\$ 63</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for			
Inventory	0	0	0
Special Revenue	489	71,388	0
Capital Projects	0	0	0
Debt Service	0	0	63
Total Fund Balance	<u>489</u>	<u>71,388</u>	<u>63</u>
Total Liabilities and Fund Balance	<u>\$ 489</u>	<u>\$ 71,388</u>	<u>\$ 63</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, 2010

	<u>Capital Projects</u>	
	<u>Senate Bill Nine 31700</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 34,963	\$ 169,862
Receivables		
Property Taxes	11,596	11,596
Due from Grantor	0	49,103
Inventory	0	1,584
Total Assets	<u>\$ 46,559</u>	<u>\$ 232,145</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payables	\$ 0	\$ 0
Interfund Balance	0	49,103
Deferred Revenue	0	5,639
Total Liabilities	<u>0</u>	<u>54,742</u>
Fund Balance		
Reserved for		
Inventory	0	1,584
Special Revenue	0	129,197
Capital Projects	46,559	46,559
Debt Service	0	63
Total Fund Balance	<u>46,559</u>	<u>177,403</u>
Total Liabilities and Fund Balance	<u>\$ 46,559</u>	<u>\$ 232,145</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, 2010

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	77	3	0
Fees	6,266	6,549	0
State & Local Grants	0	0	0
Federal Grants	90,021	0	50,150
Total Revenues	<u>96,364</u>	<u>6,552</u>	<u>50,150</u>
Expenditures			
Current			
Instruction	0	6,093	29,253
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	20,897
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Transportation	0	0	0
Food Services	71,793	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>71,793</u>	<u>6,093</u>	<u>50,150</u>
Excess (Deficiency) of Revenues Over Expenditures	24,571	459	0
Fund Balances at Beginning of Year	<u>18,933</u>	<u>336</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 43,504</u>	<u>\$ 795</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, 2010

	Special Revenue Funds		
	Migrant 24103	IDEA B Discretionary 24107	IDEA B Competitive 24108
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	3,000	0	0
Total Revenues	<u>3,000</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	3,000	0	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
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>3,000</u>	<u>0</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, 2010

	Special Revenue Funds		
	IDEA Preschool 24109	IDEA B Risk Pool 24120	Enhancing Education Through Technology 24133
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	2,921	382	0
Total Revenues	<u>2,921</u>	<u>382</u>	<u>0</u>
Expenditures			
Current			
Instruction	2,483	382	0
Support Services-Students	438	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
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>2,921</u>	<u>382</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, 2010

	Special Revenue Funds		
	Title V 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	1,153	20,108	818
Total Revenues	<u>1,153</u>	<u>20,108</u>	<u>818</u>
Expenditures			
Current			
Instruction	1,153	19,717	365
Support Services-Students	0	351	453
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	40	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>1,153</u>	<u>20,108</u>	<u>818</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><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></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, 2010

	Special Revenue Funds		
	Reading First 24167	Carl Perkins 24180	Carl Perkins Redistribution 24182
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	29,319	16,296
Total Revenues	<u>0</u>	<u>29,319</u>	<u>16,296</u>
Expenditures			
Current			
Instruction	0	25,650	10,810
Support Services-Students	0	0	238
Support Services-Instruction	0	768	0
Support Services-General Administration	0	652	1,472
Support Services-School Administration	0	2,249	3,776
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>29,319</u>	<u>16,296</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, 2010

	Special Revenue Funds		
	Title I	IDEA	Medicaid
	Recovery Act 24201	Preschool Recovery Act 24209	
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	17,212
State & Local Grants	0	0	0
Federal Grants	11,984	1,485	0
Total Revenues	<u>11,984</u>	<u>1,485</u>	<u>17,212</u>
Expenditures			
Current			
Instruction	11,984	1,485	0
Support Services-Students	0	0	19,381
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
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>11,984</u>	<u>1,485</u>	<u>19,381</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,169)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>6,680</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,511</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, 2010

	Special Revenue Funds		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250	Technology for Education 27117
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	1,683
Federal Grants	0	142,686	0
Total Revenues	<u>0</u>	<u>142,686</u>	<u>1,683</u>
Expenditures			
Current			
Instruction	0	56,542	3,484
Support Services-Students	0	34,470	0
Support Services-Instruction	0	491	0
Support Services-General Administration	0	782	0
Support Services-School Administration	0	782	0
Central Services	0	782	0
Operation & Maintenance of Plant	0	45,901	1,620
Transportation	0	1,720	0
Food Services	0	1,216	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>142,686</u>	<u>5,104</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,421)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>4,508</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,087</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, 2010

	Special Revenue Funds		
	Incentives for School Improvement 27138	Libraries GO Bonds 27145	Beginning Teacher Mentoring 27154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	4,271
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>4,271</u>
Expenditures			
Current			
Instruction	776	0	2,154
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
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>776</u>	<u>0</u>	<u>2,154</u>
Excess (Deficiency) of Revenues Over Expenditures	(776)	0	2,117
Fund Balances at Beginning of Year	<u>776</u>	<u>0</u>	<u>6,859</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,976</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, 2010

	Special Revenue Funds		
	Breakfast for Elementary 27155	Student Travel 27165	Library Books 27170
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	919	0	0
Federal Grants	0	0	0
Total Revenues	<u>919</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	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
Transportation	0	0	0
Food Services	888	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>888</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	31	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 31</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, 2010

	Special Revenue Funds		
	State Directed Activities 27200	Rural Revitalization 27503	NM Outdoor Classroom 27504
	<u>27200</u>	<u>27503</u>	<u>27504</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	42,213	0	0
Total Revenues	<u>42,213</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	21,654	0	0
Support Services-Students	0	0	0
Support Services-Instruction	13,392	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	7,167	0	0
Operation & Maintenance of Plant	0	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>42,213</u>	<u>0</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, 2010

	Special Revenue		Capital Projects
	2008 Library Books 27549	School Based Health Clinic 29130	Special School Capital Outlay State 31400
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	110,000	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>110,000</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	38,612	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
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>38,612</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	71,388	0
Fund Balances at Beginning of Year	<u>489</u>	<u>0</u>	<u>63</u>
Fund Balance End of Year	<u>\$ 489</u>	<u>\$ 71,388</u>	<u>\$ 63</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, 2010

	<u>Capital Projects</u>	
	<u>Senate Bill Nine 31700</u>	<u>Total</u>
Revenues		
Property Taxes	\$ 106,676	\$ 106,676
Interest Income	0	80
Fees	0	30,027
State & Local Grants	15,447	132,320
Federal Grants	0	412,536
Total Revenues	<u>122,123</u>	<u>681,639</u>
Expenditures		
Current		
Instruction	0	196,985
Support Services-Students	0	93,943
Support Services-Instruction	0	14,651
Support Services-General Administration	256	3,162
Support Services-School Administration	0	27,744
Central Services	0	7,949
Operation & Maintenance of Plant	0	47,521
Transportation	0	1,720
Food Services	0	73,897
Capital Outlay	80,866	80,866
Total Expenditures	<u>81,122</u>	<u>548,438</u>
Excess (Deficiency) of Revenues Over Expenditures	41,001	133,201
Fund Balances at Beginning of Year	<u>5,558</u>	<u>44,202</u>
Fund Balance End of Year	<u>\$ 46,559</u>	<u>\$ 177,403</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 5,000	\$ 5,000	\$ 6,266	\$ 1,266
Interest Income	20	20	77	57
Federal Grants	80,000	80,000	84,055	4,055
Total Revenues	<u>85,020</u>	<u>85,020</u>	<u>90,398</u>	<u>5,378</u>
Expenditures				
Food Services				
Personnel Services	0	1,805	1,805	0
Employee Benefits	0	331	329	2
Professional & Tech Services	0	650	849	(199)
Purchased Property Services	0	3,201	3,000	201
Purchased Services	100	111	111	0
Supplies	91,744	85,746	60,493	25,253
Total Food Services	<u>91,844</u>	<u>91,844</u>	<u>66,587</u>	<u>25,257</u>
Total Expenditures	<u>91,844</u>	<u>91,844</u>	<u>66,587</u>	<u>25,257</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,824)	(6,824)	23,811	30,635
Cash Balance Beginning of Year	<u>18,109</u>	<u>18,109</u>	<u>18,109</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,285</u>	<u>\$ 11,285</u>	<u>\$ 41,920</u>	<u>\$ 30,635</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 23,811	
Net change in Inventory			63	
Net change in Accounts Payable			697	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 24,571</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 8,100	\$ 8,100	\$ 6,549	\$ (1,551)
Interest Income	200	200	3	(197)
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>6,552</u>	<u>(1,748)</u>
Expenditures				
Instruction				
Professional & Tech Services	45	45	0	45
Purchased Services	8,538	8,591	6,093	2,498
Total Instruction	<u>8,583</u>	<u>8,636</u>	<u>6,093</u>	<u>2,543</u>
Total Expenditures	<u>8,583</u>	<u>8,636</u>	<u>6,093</u>	<u>2,543</u>
Excess (Deficiency) of Revenues Over Expenditures	(283)	(336)	459	795
Cash Balance Beginning of Year	<u>336</u>	<u>336</u>	<u>336</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 53</u>	<u>\$ 0</u>	<u>\$ 795</u>	<u>\$ 795</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 459	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 459	

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 51,011	\$ 52,316	\$ 39,767	\$ (12,549)
Total Revenues	<u>51,011</u>	<u>52,316</u>	<u>39,767</u>	<u>(12,549)</u>
Expenditures				
Instruction				
Personnel Services	22,711	23,299	22,708	591
Employee Benefits	6,300	6,305	6,299	6
Supplies	0	522	246	276
Total Instruction	<u>29,011</u>	<u>30,126</u>	<u>29,253</u>	<u>873</u>
Support Services-School Administration				
Personnel Services	16,494	16,580	16,520	60
Employee Benefits	5,506	5,610	4,377	1,233
Total Support Services-School Administration	<u>22,000</u>	<u>22,190</u>	<u>20,897</u>	<u>1,293</u>
Total Expenditures	<u>51,011</u>	<u>52,316</u>	<u>50,150</u>	<u>2,166</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(10,383)	(10,383)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,383)</u>	<u>\$ (10,383)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,383)	
Net change in Due from Grantor			10,383	
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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,000	\$ 3,000	\$ 450	\$ (2,550)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>450</u>	<u>(2,550)</u>
Expenditures				
Instruction				
Supplies	3,000	2,550	2,550	0
Supply Assets	0	450	450	0
Total Instruction	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,550)	(2,550)
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>\$ (2,550)</u>	<u>\$ (2,550)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,550)	
Net change in Due from Grantor			2,550	
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-IDEA B-DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 1,539	\$ 1,539
Total Revenues	<u>0</u>	<u>0</u>	<u>1,539</u>	<u>1,539</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	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	1,539	1,539
Cash Balance Beginning of Year	<u>422</u>	<u>422</u>	<u>422</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 422</u>	<u>\$ 422</u>	<u>\$ 1,961</u>	<u>\$ 1,539</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,539	
Net change in Deferred Revenue			(1,539)	
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-IDEA B-COMPETITIVE-24108
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 4,864	\$ 4,864	\$ 1,622	\$ (3,242)
Total Revenues	<u>4,864</u>	<u>4,864</u>	<u>1,622</u>	<u>(3,242)</u>
Expenditures				
Instruction				
Supplies	2,483	2,483	2,483	0
Total Instruction	<u>2,483</u>	<u>2,483</u>	<u>2,483</u>	<u>0</u>
Support Services-Students				
Purchased Services	438	438	438	0
Total Support Services-Students	<u>438</u>	<u>438</u>	<u>438</u>	<u>0</u>
Total Expenditures	<u>2,921</u>	<u>2,921</u>	<u>2,921</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,943	1,943	(1,299)	(3,242)
Cash Balance Beginning of Year	<u>(1,943)</u>	<u>(1,943)</u>	<u>(1,943)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,242)</u>	<u>\$ (3,242)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,299)	
Net change in Due from Grantor			1,299	
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-IDEA B-RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 382	\$ 0	\$ (382)
Total Revenues	<u>0</u>	<u>382</u>	<u>0</u>	<u>(382)</u>
Expenditures				
Instruction				
Supplies	0	382	382	0
Total Instruction	<u>0</u>	<u>382</u>	<u>382</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>382</u>	<u>382</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(382)	(382)
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>\$ (382)</u>	<u>\$ (382)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (382)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (382)</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 TECHNOLOGY-24133
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2010

	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			\$ <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
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,153	\$ 1,153	\$ 1,153	\$ 0
Total Revenues	<u>1,153</u>	<u>1,153</u>	<u>1,153</u>	<u>0</u>
Expenditures				
Support Services				
Professional & Tech Services	1,153	1,153	1,153	0
Total Support Services	<u>1,153</u>	<u>1,153</u>	<u>1,153</u>	<u>0</u>
Total Expenditures	<u>1,153</u>	<u>1,153</u>	<u>1,153</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				
Net Change in Fund Balance			\$ 0	
Net change in Due from Grantor			<u>0</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 19,253	\$ 21,647	\$ 10,541	\$ (11,106)
Total Revenues	<u>19,253</u>	<u>21,647</u>	<u>10,541</u>	<u>(11,106)</u>
Expenditures				
Instruction				
Employee Benefits	0	833	832	1
Professional & Tech Services	16,079	18,605	18,605	0
Purchased Services	2,595	1,237	859	378
Total Instruction	<u>18,674</u>	<u>20,675</u>	<u>20,296</u>	<u>379</u>
Support Services-Students				
Purchased Services	0	352	351	1
Total Support Services-Students	<u>0</u>	<u>352</u>	<u>351</u>	<u>1</u>
Support Services-School Administration				
Purchased Services	0	41	40	1
Total Support Services-School Administration	<u>0</u>	<u>41</u>	<u>40</u>	<u>1</u>
Total Expenditures	<u>18,674</u>	<u>21,068</u>	<u>20,687</u>	<u>381</u>
Excess (Deficiency) of Revenues Over Expenditures	579	579	(10,146)	(10,725)
Cash Balance Beginning of Year	<u>(579)</u>	<u>(579)</u>	<u>(579)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,725)</u>	<u>\$ (10,725)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,146)	
Net change in Due from Grantor			9,567	
Net change in Accounts Payables			579	
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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 111	\$ 929	\$ 0	\$ (929)
Total Revenues	<u>111</u>	<u>929</u>	<u>0</u>	<u>(929)</u>
Expenditures				
Instruction				
Supplies	0	365	365	0
Total Instruction	<u>0</u>	<u>365</u>	<u>365</u>	<u>0</u>
Support Services-Students				
Purchased Services	0	453	453	0
Total Support Services-Students	<u>0</u>	<u>453</u>	<u>453</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>818</u>	<u>818</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	111	111	(818)	(929)
Cash Balance Beginning of Year	<u>(111)</u>	<u>(111)</u>	<u>(111)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (929)</u>	<u>\$ (929)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (818)	
Net change in Due from Grantor			<u>818</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, 2010

	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	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>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				
Net Change in Fund Balance			\$ 0	
Net change in Due from Grantor			0	
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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 293	\$ 31,637	\$ 29,677	\$ (1,960)
Total Revenues	<u>293</u>	<u>31,637</u>	<u>29,677</u>	<u>(1,960)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	6,750	6,748	2
Other Purchased Services	0	18,904	18,902	2
Total Instruction	<u>0</u>	<u>25,654</u>	<u>25,650</u>	<u>4</u>
Support Services-Instruction				
Professional & Tech Services	0	428	427	1
Other Purchased Services	0	342	341	1
Total Support Services-Instruction	<u>0</u>	<u>770</u>	<u>768</u>	<u>2</u>
Support Services-General Administration				
Professional & Tech Services	0	349	349	0
Other Purchased Services	0	673	304	369
Support Services-General Administration	<u>0</u>	<u>1,022</u>	<u>653</u>	<u>369</u>
Support Services-School Administration				
Professional & Tech Services	0	2,266	1,432	834
Other Purchased Services	0	1,616	800	816
Supplies	0	16	16	0
Support Services-School Administration	<u>0</u>	<u>3,898</u>	<u>2,248</u>	<u>1,650</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 31,344</u>	<u>\$ 29,319</u>	<u>\$ 2,025</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 293	\$ 293	\$ 358	\$ 65
Cash Balance Beginning of Year	(293)	(293)	(293)	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 65</u>	<u>\$ 65</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 358	
Net change in Due from Grantor			(293)	
Net change in Deferred Revenue			(65)	
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-CARL PERKINS REDISTRIBUTION-24182
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 14,804	\$ 13,227	\$ (1,577)
Total Revenues	<u>0</u>	<u>14,804</u>	<u>13,227</u>	<u>(1,577)</u>
Expenditures				
Instruction				
Other Purchased Services	0	9,318	10,810	(1,492)
Total Instruction	<u>0</u>	<u>9,318</u>	<u>10,810</u>	<u>(1,492)</u>
Support Services-Students				
Purchased Services	0	238	238	0
Total Support Services-Students	<u>0</u>	<u>238</u>	<u>238</u>	<u>0</u>
Support Services-General Administration				
Other Purchased Services	0	1,472	1,472	0
Support Services-General	<u>0</u>	<u>1,472</u>	<u>1,472</u>	<u>0</u>
Support Services-School Administration				
Other Purchased Services	0	3,776	3,776	0
Support Services-School	<u>0</u>	<u>3,776</u>	<u>3,776</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>14,804</u>	<u>16,296</u>	<u>(1,492)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,069)	(3,069)
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>\$ (3,069)</u>	<u>\$ (3,069)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,069)	
Net change in Due from Grantor			3,069	
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-TITLE I-RECOVERY ACT-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 9,043	\$ 17,991	\$ 11,984	\$ (6,007)
Total Revenues	<u>9,043</u>	<u>17,991</u>	<u>11,984</u>	<u>(6,007)</u>
Expenditures				
Instruction				
Professional & Tech Services	9,043	13,057	7,425	5,632
Supplies	0	4,934	4,559	375
Total Instruction	<u>9,043</u>	<u>17,991</u>	<u>11,984</u>	<u>6,007</u>
Total Expenditures	<u>9,043</u>	<u>17,991</u>	<u>11,984</u>	<u>6,007</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	
Net change in Due from Grantor			<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
SPECIAL REVENUE FUND-IDEA PRESCHOOL-RECOVERY ACT-24209
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 1,485	\$ 0	\$ (1,485)
Total Revenues	<u>0</u>	<u>1,485</u>	<u>0</u>	<u>(1,485)</u>
Expenditures				
Instruction				
Supplies	0	1,485	1,485	0
Total Instruction	<u>0</u>	<u>1,485</u>	<u>1,485</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,485</u>	<u>1,485</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,485)	(1,485)
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>\$ (1,485)</u>	<u>\$ (1,485)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,485)	
Net change in Due from Grantor			<u>1,485</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 0	\$ 12,785	\$ 17,212	\$ 4,427
Total Revenues	<u>0</u>	<u>12,785</u>	<u>17,212</u>	<u>4,427</u>
Expenditures				
Support Services-Students				
Professional & Tech Services	0	490	490	0
Purchased Services	0	1,492	1,408	84
Supplies	0	17,483	17,483	0
Total Support Services-Students	<u>0</u>	<u>19,465</u>	<u>19,381</u>	<u>84</u>
Total Expenditures	<u>0</u>	<u>19,465</u>	<u>19,381</u>	<u>84</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(6,680)	(2,169)	4,511
Cash Balance Beginning of Year	<u>6,680</u>	<u>6,680</u>	<u>6,680</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,680</u>	<u>\$ 0</u>	<u>\$ 4,511</u>	<u>\$ 4,511</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,169)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,169)</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-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 5,133	\$ 5,133	\$ 5,164	\$ 31
Total Revenues	<u>5,133</u>	<u>5,133</u>	<u>5,164</u>	<u>31</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Professional & Tech Services	0	0	0	0
Other Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-School Administration				
Employee Benefits	0	0	0	0
Professional & Tech Services	0	0	0	0
Total Support Services-School Administration	<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	5,133	5,133	5,164	31
Cash Balance Beginning of Year	<u>(5,133)</u>	<u>(5,133)</u>	<u>(5,133)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31</u>	<u>\$ 31</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,164	
Net change in Due from Grantor			(5,133)	
Net change in Deferred Revenue			(31)	
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-STATE FISCAL STABILIZATION PROGRAM-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 117,578	\$ 147,377	\$ 142,686	\$ (4,691)
Total Revenues	<u>117,578</u>	<u>147,377</u>	<u>142,686</u>	<u>(4,691)</u>
Expenditures				
Instruction				
Personnel Services	24,072	23,983	23,983	0
Employee Benefits	31,396	25,367	25,361	6
Professional & Tech Services	0	79	78	1
Supplies	5,345	7,017	7,120	(103)
Supply Assets	1,216	783	0	783
Total Instruction	<u>62,029</u>	<u>57,229</u>	<u>56,542</u>	<u>687</u>
Support Services-Students				
Professional & Tech Services	1,216	34,470	34,470	0
Total Support Service-Students	<u>1,216</u>	<u>34,470</u>	<u>34,470</u>	<u>0</u>
Support Services-Instruction				
Professional & Tech Services	608	492	491	1
Total Support Services-Instruction	<u>608</u>	<u>492</u>	<u>491</u>	<u>1</u>
Support Services-General Administration				
Professional & Tech Services	1,216	783	782	1
Total Support Services-General Administration	<u>\$ 1,216</u>	<u>\$ 783</u>	<u>\$ 782</u>	<u>\$ 1</u>
Support Services-School Administration				
Professional & Tech Services	1,216	783	782	1
Total Support Services-School Administration	<u>1,216</u>	<u>783</u>	<u>782</u>	<u>1</u>
Central Services				
Professional & Tech Services	1,216	4,783	782	4,001
Total Central Services	<u>1,216</u>	<u>4,783</u>	<u>782</u>	<u>4,001</u>
Operation & Maintenance of Plant				
Professional & Tech Services	1,604	2,322	2,323	(1)
Purchased Services	46,041	43,578	43,577	1
Total Operation & Maintenance of Plant	<u>47,645</u>	<u>45,900</u>	<u>45,900</u>	<u>0</u>
Transportation				
Purchased Services	1,216	1,721	1,721	0
Total Transportation	<u>\$ 1,216</u>	<u>\$ 1,721</u>	<u>\$ 1,721</u>	<u>\$ 0</u>

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE FISCAL STABILIZATION PROGRAM-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Food Service Operations				
Purchased Services	\$ 1,216	\$ 1,216	\$ 1,216	\$ 0
Total Food Services Operations	<u>1,216</u>	<u>1,216</u>	<u>1,216</u>	<u>0</u>
 Total Expenditures	 <u>117,578</u>	 <u>147,377</u>	 <u>142,686</u>	 <u>4,691</u>
 Excess (Deficiency) of Revenues Over Expenditures	 0	 0	 0	 0
 Cash Balance Beginning of Year	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Cash Balance End of Year	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
 Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 7,899	\$ 1,683	\$ (6,216)
Total Revenues	<u>0</u>	<u>7,899</u>	<u>1,683</u>	<u>(6,216)</u>
Expenditures				
Instruction				
Supplies	0	1,380	1,122	258
Supply Assets	0	3,128	2,363	765
Total Instruction	<u>0</u>	<u>4,508</u>	<u>3,485</u>	<u>1,023</u>
Operations & Maintenance of Plant				
Supplies	0	590	590	0
Supply Assets	0	1,030	1,029	1
Total Operations & Maintenance of Plant	<u>0</u>	<u>1,620</u>	<u>1,619</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>6,128</u>	<u>5,104</u>	<u>1,024</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1,771	(3,421)	(5,192)
Cash Balance Beginning of Year	<u>4,508</u>	<u>4,508</u>	<u>4,508</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,508</u>	<u>\$ 6,279</u>	<u>\$ 1,087</u>	<u>\$ (5,192)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,421)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,421)</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, 2010

	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	776	776	776	0
Total Instruction	<u>776</u>	<u>776</u>	<u>776</u>	<u>0</u>
Total Expenditures	<u>776</u>	<u>776</u>	<u>776</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(776)	(776)	(776)	0
Cash Balance Beginning of Year	<u>776</u>	<u>776</u>	<u>776</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			\$ (776)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (776)</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-27145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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	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	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			<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-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 4,271	\$ 4,271
Total Revenues	<u>0</u>	<u>0</u>	<u>4,271</u>	<u>4,271</u>
Expenditures				
Instruction				
Personnel Services	0	1,800	1,800	0
Employee Benefits	0	357	354	3
Total Instruction	<u>0</u>	<u>2,157</u>	<u>2,154</u>	<u>3</u>
Total Expenditures	<u>0</u>	<u>2,157</u>	<u>2,154</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(2,157)	2,117	4,274
Cash Balance Beginning of Year	<u>6,859</u>	<u>6,859</u>	<u>6,859</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,859</u>	<u>\$ 4,702</u>	<u>\$ 8,976</u>	<u>\$ 4,274</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>2,117</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2,117</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,880	\$ 2,880	\$ 919	\$ (1,961)
Total Revenues	<u>2,880</u>	<u>2,880</u>	<u>919</u>	<u>(1,961)</u>
Expenditures				
Instruction				
Other Purchased Services	2,880	1,718	888	830
Total Instruction	<u>2,880</u>	<u>1,718</u>	<u>888</u>	<u>830</u>
Total Expenditures	<u>2,880</u>	<u>1,718</u>	<u>888</u>	<u>830</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1,162	31	(1,131)
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>\$ 1,162</u>	<u>\$ 31</u>	<u>\$ (1,131)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 31	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 31</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, 2010

	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	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	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>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,106)</u>	<u>\$ (2,106)</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-LIBRARIES GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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	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	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>0</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 58,641	\$ 42,213	\$ (16,428)
Total Revenues	<u>0</u>	<u>58,641</u>	<u>42,213</u>	<u>(16,428)</u>
Expenditures				
Instruction				
Personnel Services	0	16,428	16,428	0
Employee Benefits	0	21,654	5,226	16,428
Total Instruction	<u>0</u>	<u>38,082</u>	<u>21,654</u>	<u>16,428</u>
Support Services-Instruction				
Personnel Services	0	10,468	10,468	0
Employee Benefits	0	2,924	2,924	0
Total Support Services-Instruction	<u>0</u>	<u>13,392</u>	<u>13,392</u>	<u>0</u>
Central Services				
Personnel Services	0	5,040	5,040	0
Employee Benefits	0	2,127	2,127	0
Total Central Services	<u>0</u>	<u>7,167</u>	<u>7,167</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>58,641</u>	<u>42,213</u>	<u>16,428</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	0	0	0	0
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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 7,980	\$ 7,980	\$ 7,980	\$ 0
Total Revenues	<u>7,980</u>	<u>7,980</u>	<u>7,980</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech Services	0	0	0	0
Supply Assets	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	7,980	7,980	7,980	0
Cash Balance Beginning of Year	<u>(7,980)</u>	<u>(7,980)</u>	<u>(7,980)</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			\$ 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,000	\$ 2,000	\$ 0	\$ (2,000)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Expenditures				
Instruction				
Purchased Services	0	0	0	0
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	2,000	2,000	0	(2,000)
Cash Balance Beginning of Year	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</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			\$ 0	
Net change in Due from Grantor			<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
SPECIAL REVENUE FUND-2008 LIBRARY BOOKS-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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	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>489</u>	<u>489</u>	<u>489</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 489</u>	<u>\$ 489</u>	<u>\$ 489</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-SCHOOL BASED HEALTH CLINIC-29130
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 60,000	\$ 110,000	\$ 50,000
Total Revenues	<u>0</u>	<u>60,000</u>	<u>110,000</u>	<u>50,000</u>
Expenditures				
Support Services-Students				
Personnel Services	0	13,050	11,024	2,026
Employee Benefits	0	2,150	2,148	2
Professional & Tech Services	0	19,767	870	18,897
Purchased Services	0	25,000	24,538	462
Supplies	0	33	32	1
Total Support Service-Students	<u>0</u>	<u>60,000</u>	<u>38,612</u>	<u>21,388</u>
Total Expenditures	<u>0</u>	<u>60,000</u>	<u>38,612</u>	<u>21,388</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	71,388	71,388
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>\$ 71,388</u>	<u>\$ 71,388</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>71,388</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>71,388</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, 2010

	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				
Capital Outlay				
Purchased Property Services	0	0	0	0
Total Capital Outlay	<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>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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 27,981	\$ 59,528	\$ 98,636	\$ 39,108
State Grant	0	4,900	15,447	10,547
Total Revenues	<u>27,981</u>	<u>64,428</u>	<u>114,083</u>	<u>49,655</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	0	300	257	43
Total Support Services-General	<u>0</u>	<u>300</u>	<u>257</u>	<u>43</u>
Capital Outlay				
Fixed Assets	10,000	94,282	83,475	10,807
Total Capital Outlay	<u>10,000</u>	<u>94,282</u>	<u>83,475</u>	<u>10,807</u>
Total Expenditures	<u>10,000</u>	<u>94,582</u>	<u>83,732</u>	<u>10,850</u>
Excess (Deficiency) of Revenues Over Expenditures	17,981	(30,154)	30,351	60,505
Cash Balance Beginning of Year	<u>4,612</u>	<u>4,612</u>	<u>4,612</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 22,593</u>	<u>\$ (25,542)</u>	<u>\$ 34,963</u>	<u>\$ 60,505</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 30,351	
Net change in Taxes Receivable			5,250	
Net change in Accounts Payable			2,610	
Net change in Deferred Revenue			2,790	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 41,001</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, 2010

		Balance 06/30/09	Additions	Deletions	Balance 06/30/10
ASSETS					
23001	General	\$ 35	\$ 2,721	\$ 2,394	\$ 362
23002	In/Out	102	350	290	162
23003	Gift Fund	13	568	218	363
23004	Class of 2019	23	22	0	45
23005	Library	1,039	200	0	1,239
23006	Carnival	378	81	0	459
23007	Student Council	688	423	634	477
23008	Superintendent	8	0	0	8
23009	FHA	141	0	0	141
23010	Principals	110	0	0	110
23011	First Grade	474	43	206	311
23012	Honor Society	501	0	162	339
23013	Cheerleaders	71	0	0	71
23014	Industrial Arts	957	0	0	957
23016	Class of 2018	938	761	732	967
23017	Class of 2020	80	111	47	144
23018	Class of 2007	126	0	0	126
23019	Class of 2008	72	0	0	72
23020	Class of 2009	1,322	0	0	1,322
23021	Resource Room	137	0	0	137
23022	Class of 2016	182	14	26	170
23023	Yearbook	2,643	430	708	2,365
23024	Arts & Crafts	252	0	0	252
23025	Kindergarten	0	11	0	11
23026	Class of 2015	789	122	0	911
23027	Class of 2014	250	36	0	286
23028	Class of 2013	494	223	86	631
23029	Class of 2012	984	112	109	987
23030	Class of 2011	247	2,699	2,821	125
23031	Class of 2010	14	894	817	91
23032	PTO	16	0	0	16
23033	School Museum	63	0	0	63
23034	Accelerated Reader	772	683	513	942
23035	Athletic Boosters	4,009	15,046	16,735	2,320
23036	TNT	5,375	10,000	12,778	2,597
23037	Panther Outpost	979	0	0	979
23038	Student Health	319	0	0	319
23039	Technology	626	0	0	626
23040	MENSA	1	0	0	1
23041	NMPSIA Insurance	51,414	314,585	315,517	50,482
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, 2010

	Balance 06/30/09	Additions	Deletions	Balance 06/30/10
23043 Pre-school	\$ 4	\$ 81	0	\$ 85
23044 PNM Science Grant	46	0	0	46
23045 FFA/AG	0	2,841	2,592	249
23046 LA's Best	453	769	297	925
23047 PBS Award	750	0	0	750
23048 Elk Lodge Grant	1,800	0	0	1,800
23049 Summer School	2,081	20	0	2,101
23050 NM 6-Man Football	3,378	2,410	3,587	2,201
23051 Project Celebration	1,061	0	52	1,009
23052 District 8-A	4,931	1,306	3,270	2,967
23053 State Rings/Shirts	444	6,260	6,364	340
23054 Panther Invitational	3,103	4,680	6,068	1,715
23057 Fees & Fines	445	25	0	470
23058 Class of 2021	69	41	63	47
23059 Regional School Board	65	0	0	65
23060 Dig Pink-Volleyball	0	251	0	251
23061 State Game	0	5,296	3,387	1,909
Total Assets	\$ 95,433	\$ 374,115	\$ 380,473	\$ 89,075
LIABILITIES				
Deposits Held for Others	\$ 95,433	\$ 374,115	\$ 380,473	\$ 89,075
Total Liabilities	\$ 95,433	\$ 374,115	\$ 380,473	\$ 89,075

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, 2010

		Beginning Cash Balance 6/30/09	Revenue	Expenditures	Ending Cash Balance 6/30/10
Operational	11000	\$ 32,207	\$ 2,349,876	\$ 2,315,406	\$ 66,677
Teacherage	12000	19,681	17,413	5,915	31,179
Transportation	13000	2	142,307	142,243	66
Instructional Materials	14000	9,668	6,311	15,703	276
Food Services	21000	18,108	90,398	66,587	41,919
Athletics	22000	336	6,552	6,092	796
Agency Funds	23000	95,436	374,115	380,473	89,078
Federal Flowthrough	24000	1,375	144,709	219,137	(73,053)
Federal Direct	25000	1,547	165,062	162,067	4,542
State Flowthrough	27000	(11,686)	57,066	51,136	(5,756)
Combined Local State	29000	0	110,000	38,612	71,388
Bond Building	31100	400,157	455,000	379,345	475,812
Special Capital Outlay State	31400	63	0	0	63
Senate Bill Nine	31700	4,612	114,083	83,733	34,962
Debt Service	41000	265,281	107,767	179,284	193,764
Total		\$ <u>836,787</u>	\$ <u>4,140,659</u>	\$ <u>4,045,733</u>	\$ <u>931,713</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 funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of LAKE ARTHUR MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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

A significant deficiency is a deficiency or a combination deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency as 10-1, 10-2, 10-3 and 10-4.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-1.

The District's response to the finding identified in our audit are described in the accompany schedule of findings and responses. We did not audit districts response and accordingly, we express no opinion on it.

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

De'Ann Willoughby CPA PC

November 12, 2010

STATE OF NEW MEXICO
LAKE ARTHUR MUNICIPAL SCHOOLS
Schedule of Findings and Responses
For the Year Ended June 30, 2010

Prior Year Audit Findings

	<u>Status</u>
09-01 Late Audit Report	Resolved

Current Year Audit Findings

10-1 ERB Reporting on Percentages

Condition

Field work revealed that two of the twelve Education Retirement Board reports were not calculated at the correct percentage, causing the District to under pay by \$381.68.

Criteria

82.9.8(C)(1), NMAC provides that all "[r]eports and contributions shall be postmarked no later than the fifteenth (15th) of the month following the end of the month covered by the report. When the fifteenth (15th) of the month is on a Saturday, reports and contributions are due the previous day. If the fifteenth (15th) of the month falls on a Sunday or holiday, report and contributions are due on the next workday."

Effect

Failure to submit the proper percentages by the District could incur penalties.

Cause

Employees received stipends after their initial wage amount was entered. The Visions software was not updated for the change.

Recommendation

Each time an employee's wages change, updates in the software must be made and reviewed.

Response

We will update the wages in Visions each time there is a change in employee's earnings.

10-2 ERB Reporting on Employees Under \$20,000

Condition

Field work revealed that the District was reporting all employees salaries as being over \$20,000. We revealed that three of the fourteen sampled base salary was actual under the \$20,000 threshold. This caused these employees to pay at the rate of 9.4% instead of the 7.9% and the employer to pay 10.9% instead of the 12.4%. This caused the employees to over pay and the District to under pay for the year by \$694.90.

Criteria

82.9.8(C)(1), NMAC provides that all "[r]eports and contributions shall be postmarked no later than the fifteenth (15th) of the month following the end of the month covered by the report. When the fifteenth (15th) of the month is on a Saturday, reports and contributions are due the previous day. If the fifteenth (15th) of the month falls on a Sunday or holiday, report and contributions are due on the next workday."

Effect

Employees' deductions are greater than they should be causing the net pay to be less than it should be.

Cause

The business manager was told by ERB personnel that if an employee was paid \$7.50 an hour they were considered earning over \$20,000 even if they were nine month employees.

Recommendation

The District should withhold the correct percentage and if told something, get it in writing.

Response

We will withhold the correct amount.

10-3 REPORTING OF INSURANCE PREMIUMS

Condition

School District must ensure that it accurately calculates and reports deductions of insurance premiums to the New Mexico Public School Insurance Authority (NMPSIA). A sample of fourteen employees revealed that on one pay period on one employee the District did not deduct the employees portion of insurance premiums from their pay causing the District to pay the percentage which totaled \$146.85. Also on one other employee the District did not calculate insurance deductions correctly, which caused the District to overpay their portion by \$23.25 a month totaling \$279.00 for the fiscal year.

Criteria

The New Mexico Public Districts' Insurance Authority-Employee Benefits Rules and Regulations Program guide July 2010 sets forth the proper percentages for calculating deductions for employee insurance.

Effect

The District paid a larger portion of employee insurance premiums than required, causing the District to incur unnecessary expenditures.

Cause

The deductions are based on a tiered system. The employees were offered a stipend at a later date that caused the wage base to increase and move their base to the next tier.

Recommendation

The business manager should contract another district to learn procedures and implement Excel worksheets to review calculations before each payroll.

Response

The Business Manager will visit neighboring school district for additional training in this area. More attention will be given to the changes in salaries and/or employees qualify events relating to NMPSIA during the school year.

10-4 STALE DATE TRANSACTIONS

Condition

The District maintained stale checks in two bank accounts. An audit of the District's bank accounts revealed that the District maintained five checks in the payroll clearing account and two checks in the operational account that were dated over one year old as of June 30, 2010. The checks totaled \$1,674.73 and \$700.00 respectively.

Criteria

Section 7-8A, NMSA 1978, and related regulations require that the District provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Cause

The District did not implement an internal control policy to account for stale dated outstanding checks and did not void these checks on a timely basis.

Recommendation

We recommend that the District implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old, we recommend these checks be voided and that the District take appropriate steps to ensure that the funds are reported to the Unclaimed Property Division as may be necessary.

Response

District will void all checks one year or older. Outstanding checks will be reviewed and voided on a monthly basis.

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 12, 2010. Those present were Michael Grossman-Superintendent, Jennifer Fields-Business Manager, Irma Guillen, Secretary, Gene Bassett, Member and De'Aun Willoughby-CPA.