



STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2011

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



STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Table of Contents  
 For the Year Ended June 30, 2011

---

	<u>Page</u>
Official Roster.....	6
Independent Auditor's Report.....	7-8

**FINANCIAL SECTION**

Basic Financial Statements

Government Wide Financial Statements	
Statement of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements	
Government Funds - Balance Sheet.....	12-16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	18-22
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	23

**MAJOR FUNDS**

<b>General Fund - Operational - 11000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	24-26
<b>General Fund - Teacherage - 12000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	27
<b>General Fund - Transportation - 13000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	28
<b>General Fund - Instructional Material - 14000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	29
<b>Title I - 24101</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	30
<b>IDEA Part B Entitlement - 24106</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	31
<b>IDEA B Risk Pool - 24120</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	32

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Table of Contents  
 For the Year Ended June 30, 2011

---

	<u>Page</u>
<b>State Directed Activites - 27200</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	33
Statement of Fiduciary Net Assets and Liabilities-Agency Funds .....	34
Notes to Financial Statements.....	35-50
<b>SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS</b>	
<b>Bond Building - 31100</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	52
<b>Senate Bill Nine - 31700</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	53
<b>Debt Service - 41000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	54
<b>SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS</b>	
<b>Non-major Funds</b>	
Combining Balance Sheet.....	59-68
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	69-78
<b>Food Service - 21000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	79
<b>Athletics - 22000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	80
<b>Migrant - 24103</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	81
<b>IDEA B Discretionary - 24107</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	82
<b>IDEA B Competitive - 24108</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	83
<b>IDEA Preschool - 24109</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	84
<b>Enhancing Education Through Technology - 24133</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP Budgetary Basis).....	85

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Table of Contents  
 For the Year Ended June 30, 2011

---

	<u>Page</u>
<b>Title II - 24154</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	86
<b>Safe &amp; Drug Free Schools &amp; Community - 24157</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	87
<b>Carl Perkins - 24180</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	88-89
<b>Carl Perkins Redistribution - 24182</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	90
<b>Title I Recovery Act - 24201</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	91
<b>IDEA Part B Recovery Act - 24206</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	92
<b>IDEA Preschool Recovery Act - 24209</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	93
<b>Medicaid - 25153</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	94
<b>Rural Education Achievement Program - 25233</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	95
<b>State Fiscal Stabilization Program - 24250</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	96-97
<b>Education Job Fund-25255</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	98
<b>Technology for Education - 27117</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	99
<b>Incentive for School Improvement - 27138</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	100
<b>Library Go Bonds - 27145</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	101
<b>Beginning Teacher Mentoring - 27154</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	102
<b>Breakfast for Elementary - 27155</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	103

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Table of Contents  
 For the Year Ended June 30, 2011

---

	<u>Page</u>
<b>Student Travel - 27165</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	104
<b>Libraries Go Bonds - 27170</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	105
<b>NM Outdoor Classroom - 27504</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	106
<b>2008 Library Books - 27549</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	107
<b>School Based Health Center-29130</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	108
<b>Special Capital Outlay State - 31400</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	109
<b>OTHER SUPPLEMENTAL INFORMATION</b>	
<b>Activity</b>	
Schedule of Fiduciary Net Assets and Liabilities-Agency Funds .....	112-113
Cash Reconciliations-All Funds.....	114
<b>COMPLIANCE</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	115-116
Findings and Responses.....	117-121

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Official Roster  
For the Year Ended June 30, 2011

---

**BOARD OF EDUCATION**

John Jackson	President
Edward Rubio, Jr.	Vice-President
Irma Guillen	Secretary
Brad Durham	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, 2011, 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 and the budgetary comparisons for the major capital project funds, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, 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, 2011, 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, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, 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 October 14, 2011, 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'Ann Willoughby CPA PC*

October 14, 2011



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Government Wide-Statement of Net Assets  
 June 30, 2011

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 997,887
Property Taxes Receivable	37,643
Due from Grantor	90,348
Inventory	1,666
Total Current Assets	<u>1,127,544</u>
Noncurrent Assets	
Capital Assets	9,489,752
Less: Accumulated Depreciation	(4,395,801)
Total Noncurrent Assets	<u>5,093,951</u>
Total Assets	<u>6,221,495</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	12,242
Accrued Interest	18,192
Current Portion of Long-Term Debt	100,000
Total Current Liabilities	<u>130,434</u>
Noncurrent Liabilities	
Bonds and Notes, Net	2,332,562
Compensated Absences	16,586
Total Noncurrent Liabilities	<u>2,349,148</u>
Total Liabilities	<u>2,479,582</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	2,661,389
Restricted for	
Capital Projects	642,301
Debt Service	179,279
Unrestricted	258,944
Total Net Assets	<u>\$ 3,741,913</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, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 1,821,432	\$ 9,176	\$ 250,566	\$ 0	\$ (1,561,690)
Support Services-Students	339,766	16,191	65,633	0	(257,942)
Support Services-Instruction	88,269	0	365	0	(87,904)
General Administration	158,119	0	1,602	0	(156,517)
School Administration	176,831	0	50,589	0	(126,242)
Central Services	156,117	0	7,520	0	(148,597)
Operation of Plant	425,169	17,950	1,094	0	(406,125)
Other	11,342	0	0	0	(11,342)
Student Transportation	165,127	0	137,591	0	(27,536)
Food Services	131,600	5,821	90,808	0	(34,971)
Interest on Long-Term Obligations	102,260	0	0	0	(102,260)
Total Governmental Activities	<u>\$ 3,576,032</u>	<u>\$ 49,138</u>	<u>\$ 605,768</u>	<u>\$ 0</u>	<u>(2,921,126)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes					
					47,406
Property Taxes, Levied for Capital Projects					
					193,977
Property Taxes, Levied for Debt Service					
					194,323
Federal and State aid not restricted to specific purpose					
General					
					2,319,380
Capital					
					0
Interest and investment earnings					
					1,995
Miscellaneous					
					55,296
Subtotal, General Revenues					<u>2,812,377</u>
Change in Net Assets					(108,749)
Net Assets - beginning					<u>3,850,662</u>
Net Assets - ending					<u>\$ 3,741,913</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, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	3,823	0	0
Due from Grantor	0	0	0
Interfund Balance	42,963	13,985	73
Inventory	0	0	0
Total Assets	<u>\$ 46,786</u>	<u>\$ 13,985</u>	<u>\$ 73</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 12,242	\$ 0	\$ 0
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>12,242</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General Fund	34,544	13,985	73
Total Fund Balances	<u>34,544</u>	<u>13,985</u>	<u>73</u>
Total Liabilities and Fund Balances	<u>\$ 46,786</u>	<u>\$ 13,985</u>	<u>\$ 73</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, 2011

	General Fund		Special Revenue	
	Instructional Materials 14000		Title I 24101	IDEA B Entitlement 24106
<b>ASSETS</b>				
Cash and Cash Equivalents	\$	0	\$	0
Receivables				
Property Taxes		0		0
Due from Grantor		0	17,000	16,995
Interfund Balance		1,731	0	0
Inventory		0	0	0
Total Assets	\$	<u>1,731</u>	\$	<u>17,000</u>
			\$	<u>16,995</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts Payable	\$	0	\$	0
Interfund Balances		0	17,000	16,995
Current Portion Due				
Principal		0	0	0
Interest		0	0	0
Total Liabilities		<u>0</u>	<u>17,000</u>	<u>16,995</u>
<b>Fund Balances</b>				
Nonspendable-Inventory		0	0	0
Restricted for, reported in				
Special Revenue Funds		0	0	0
Capital Projects		0	0	0
Debt Service		0	0	0
Assigned-Capital Projects		0	0	0
Unassigned-General Fund		1,731	0	0
Total Fund Balances		<u>1,731</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	\$	<u>1,731</u>	\$	<u>17,000</u>
			\$	<u>16,995</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, 2011

	<u>Special Revenue</u>		<u>Capital Projects</u>
	IDEA B	State	Bond
	Risk Pool	Directed	Building
	<u>24120</u>	<u>27200</u>	<u>31100</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 642,301
Receivables			
Property Taxes	0	0	0
Due from Grantor	19,687	20,636	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 19,687</u>	<u>\$ 20,636</u>	<u>\$ 642,301</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	19,687	20,636	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>19,687</u>	<u>20,636</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	642,301
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>642,301</u>
Total Liabilities and Fund Balances	<u>\$ 19,687</u>	<u>\$ 20,636</u>	<u>\$ 642,301</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, 2011

	<u>Capital Projects</u> Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 68,793	\$ 206,629	\$ 80,164
Receivables			
Property Taxes	18,491	15,329	0
Due from Grantor	0	0	16,030
Interfund Balance	31,596	0	0
Inventory	0	0	1,666
Total Assets	<u>\$ 118,880</u>	<u>\$ 221,958</u>	<u>\$ 97,860</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	16,030
Current Portion Due			
Principal	0	35,000	0
Interest	0	7,679	0
Total Liabilities	<u>0</u>	<u>42,679</u>	<u>16,030</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	1,666
Restricted for, reported in			
Special Revenue Funds	0	0	80,164
Capital Projects	0	0	0
Debt Service	0	179,279	0
Assigned-Capital Projects	118,880	0	0
Unassigned-General Fund	0	0	0
Total Fund Balances	<u>118,880</u>	<u>179,279</u>	<u>81,830</u>
Total Liabilities and Fund Balances	<u>\$ 118,880</u>	<u>\$ 221,958</u>	<u>\$ 97,860</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, 2011

---

	Total Governmental Funds
	<u>                    </u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 997,887
Receivables	
Property Taxes	37,643
Due from Grantor	90,348
Interfund Balance	90,348
Inventory	1,666
Total Assets	<u>\$ 1,217,892</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 12,242
Interfund Balances	90,348
Current Portion Due	
Principal	35,000
Interest	7,679
Total Liabilities	<u>145,269</u>
 <b>Fund Balances</b>	
Nonspendable-Inventory	1,666
Restricted for, reported in	
Special Revenue Funds	80,164
Capital Projects	642,301
Debt Service	179,279
Assigned-Capital Projects	118,880
Unassigned-General Fund	50,333
Total Fund Balances	<u>1,072,623</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,217,892</u>

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



STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2011

---

Total Fund Balance - Governmental Funds \$ 1,072,623

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	\$ 9,489,752	
Accumulated depreciation is	<u>(4,395,801)</u>	5,093,951

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	(2,580,000)	
Accrued interest on bonds	(10,513)	
Bond Issue Costs	266,902	
Accumulated Amortization	(84,464)	
Compensated Absences	<u>(16,586)</u>	<u>(2,424,661)</u>

Total net assets - governmental activities	\$	<u><u>3,741,913</u></u>
--	----	-------------------------

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 47,406	\$ 0	\$ 0
Interest Income	1,909	0	0
Fees	10	17,950	0
State & Local Grants	2,319,077	0	137,226
Federal Grants	303	0	0
Miscellaneous	55,246	0	0
<b>Total Revenues</b>	<b>2,423,951</b>	<b>17,950</b>	<b>137,226</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	1,280,061	0	0
Support Services-Students	251,420	0	0
Support Services-Instruction	87,904	0	0
Support Services-General Administration	154,276	0	0
Support Services-School Administration	126,147	0	0
Central Services	149,374	0	0
Operation & Maintenance of Plant	340,983	34,986	0
Student Transportation	24,540	0	137,219
Other	11,342	0	0
Food Services	22,581	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Bond Issue Cost	0	0	0
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>2,448,628</b>	<b>34,986</b>	<b>137,219</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(24,677)</b>	<b>(17,036)</b>	<b>7</b>
<b>Other Financing Sources (Uses)</b>			
Bond Proceeds	0	0	0
Transfers	0	0	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(24,677)</b>	<b>(17,036)</b>	<b>7</b>
<b>Fund Balances at Beginning of Year</b>	<b>59,221</b>	<b>31,021</b>	<b>66</b>
<b>Fund Balance End of Year</b>	<b>\$ 34,544</b>	<b>\$ 13,985</b>	<b>\$ 73</b>

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, 2011

	General Fund		Special Revenue	
	Instructional Materials 14000		Title I 24101	IDEA B Entitlement 24106
Revenues				
Property Taxes	\$ 0	\$	0	\$ 0
Interest Income	0		0	0
Fees	0		0	0
State & Local Grants	5,985		0	0
Federal Grants	0		71,028	33,821
Miscellaneous			0	0
Total Revenues	<u>5,985</u>		<u>71,028</u>	<u>33,821</u>
Expenditures				
Current				
Instruction	4,530		23,902	27,851
Support Services-Students	0		0	5,970
Support Services-Instruction	0		0	0
Support Services-General Administration	0		0	0
Support Services-School Administration	0		47,126	0
Central Services	0		0	0
Operation & Maintenance of Plant	0		0	0
Student Transportation	0		0	0
Other	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>4,530</u>		<u>71,028</u>	<u>33,821</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,455</u>		<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Bond Proceeds	0		0	0
Transfers	0		0	0
Total Other Sources (Uses)	<u>0</u>		<u>0</u>	<u>0</u>
Net Change in Fund Balance	1,455		0	0
Fund Balances at Beginning of Year	<u>276</u>		<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,731</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, 2011

	Special Revenue		Capital
	IDEA B	State	Projects
	Risk Pool 24120	Directed 27200	Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	49,060	44,552	0
Miscellaneous	0	0	0
Total Revenues	<u>49,060</u>	<u>44,552</u>	<u>0</u>
Expenditures			
Current			
Instruction	49,060	24,066	0
Support Services-Students	0	13,757	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	6,729	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	536,883
Debt Service			
Bond Issue Cost	0	0	46,628
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>49,060</u>	<u>44,552</u>	<u>583,511</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(583,511)</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	750,000
Transfers	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>750,000</u>
Net Change in Fund Balance	0	0	166,489
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>475,812</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 642,301</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, 2011

	Capital Projects		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Revenues			
Property Taxes	\$ 193,977	\$ 194,323	\$ 0
Interest Income	0	0	86
Fees	0	0	31,178
State & Local Grants	0	0	45,508
Federal Grants	0	0	218,588
Miscellaneous	0	0	50
Total Revenues	<u>193,977</u>	<u>194,323</u>	<u>295,410</u>
Expenditures			
Current			
Instruction	28,217	0	129,641
Support Services-Students	0	0	67,307
Support Services-Instruction	0	0	365
Support Services-General Administration	377	479	1,602
Support Services-School Administration	0	0	3,463
Central Services	0	0	791
Operation & Maintenance of Plant	32,223	0	1,124
Student Transportation	0	0	365
Other	0	0	0
Food Services	0	0	89,704
Capital Outlay	60,901	0	50,000
Debt Service			
Bond Issue Cost	0	0	0
Principal	0	90,000	0
Interest	0	82,322	0
Total Expenditures	<u>121,718</u>	<u>172,801</u>	<u>344,362</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>72,259</u>	<u>21,522</u>	<u>(48,952)</u>
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Transfers	63	0	(63)
Total Other Sources (Uses)	<u>63</u>	<u>0</u>	<u>(63)</u>
Net Change in Fund Balance	72,322	21,522	(49,015)
Fund Balances at Beginning of Year	<u>46,558</u>	<u>157,757</u>	<u>130,845</u>
Fund Balance End of Year	<u>\$ 118,880</u>	<u>\$ 179,279</u>	<u>\$ 81,830</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, 2011

---

	Total Governmental Funds
	<u>                    </u>
Revenues	
Property Taxes	\$ 435,706
Interest Income	1,995
Fees	49,138
State & Local Grants	2,507,796
Federal Grants	417,352
Miscellaneous	55,296
Total Revenues	<u>3,467,283</u>
Expenditures	
Current	
Instruction	1,567,328
Support Services-Students	338,454
Support Services-Instruction	88,269
Support Services-General Administration	156,734
Support Services-School Administration	176,736
Central Services	156,894
Operation & Maintenance of Plant	409,316
Student Transportation	162,124
Other	11,342
Food Services	112,285
Capital Outlay	647,784
Debt Service	
Bond Issue Cost	46,628
Principal	90,000
Interest	82,322
Total Expenditures	<u>4,046,216</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(578,933)</u>
Other Financing Sources (Uses)	
Bond Proceeds	750,000
Transfers	0
Total Other Sources (Uses)	<u>750,000</u>
Net Change in Fund Balance	171,067
Fund Balances at Beginning of Year	<u>901,556</u>
Fund Balance End of Year	<u><u>1,072,623</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, 2011

---

Net Change in Fund Balance \$ 171,067

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Depreciation expense	\$ (293,957)	
Capital Outlays	<u>647,784</u>	353,827

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (750,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 90,000

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, 2010	10,939	
Accrued Interest, June 30, 2011	<u>(10,513)</u>	426

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	46,628	
Amortization of Issue Costs	<u>(20,364)</u>	26,264

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, 2010	16,253	
Compensated Absences, June 30, 2011	<u>(16,586)</u>	<u>(333)</u>

Change in Net Assets of Governmental Activities \$ (108,749)

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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 23,294	\$ 23,294	\$ 46,477	\$ 23,183
Interest Income	1,500	1,500	1,909	409
State Grant	2,378,714	2,335,896	2,319,077	(16,819)
Federal Grant	315	315	303	(12)
Miscellaneous	0	0	55,256	55,256
Total Revenues	<u>2,403,823</u>	<u>2,361,005</u>	<u>2,423,022</u>	<u>62,017</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	969,088	884,858	858,926	25,932
Employee Benefits	322,028	303,515	282,060	21,455
Professional & Tech Services	9,365	17,855	26,410	(8,555)
Purchased Property Services	6,161	10,380	10,265	115
Purchased Services	16,665	20,991	23,972	(2,981)
Supplies	36,959	48,261	67,829	(19,568)
Supply Assets	0	5,023	8,473	(3,450)
Total Instruction	<u>1,360,266</u>	<u>1,290,883</u>	<u>1,277,935</u>	<u>12,948</u>
<b>Support Services-Students</b>				
Personnel Services	90,821	91,121	89,959	1,162
Employee Benefits	32,041	32,041	30,043	1,998
Professional & Tech Services	125,461	127,882	114,044	13,838
Purchased Services	13,819	13,819	14,522	(703)
Supplies	3,000	3,000	2,852	148
Total Support Service-Students	<u>265,142</u>	<u>267,863</u>	<u>251,420</u>	<u>16,443</u>
<b>Support Services-Instruction</b>				
Personnel Services	65,230	65,230	65,230	0
Employee Benefits	20,825	20,825	22,504	(1,679)
Supplies	0	0	170	(170)
Total Support Services-Instruction	<u>86,055</u>	<u>86,055</u>	<u>87,904</u>	<u>(1,849)</u>
<b>Support Services-General Administration</b>				
Personnel Services	88,839	88,839	86,982	1,857
Employee Benefits	27,520	27,520	25,778	1,742
Professional & Tech Services	20,465	27,321	21,912	5,409
Purchased Property Services	6,500	6,500	6,582	(82)
Purchased Services	10,105	10,105	10,891	(786)
Supplies	2,000	2,000	1,500	500
Supply Assets	0	0	104	(104)
Total Support Services-General Administration	<u>\$ 155,429</u>	<u>\$ 162,285</u>	<u>\$ 153,749</u>	<u>\$ 8,536</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Support Services-School Administration</b>				
Personnel Services	\$ 88,860	\$ 88,860	\$ 88,050	\$ 810
Employee Benefits	28,014	28,014	26,884	1,130
Professional & Tech Services	3,600	3,600	5,659	(2,059)
Purchased Property Services	6,500	6,500	5,625	875
Purchased Services	600	600	169	431
Supplies	500	500	158	342
Total Support Services-School Administration	<u>128,074</u>	<u>128,074</u>	<u>126,545</u>	<u>1,529</u>
<b>Central Services</b>				
Personnel Services	56,965	56,965	72,919	(15,954)
Employee Benefits	22,866	22,866	24,677	(1,811)
Professional & Tech Services	4,332	4,332	22,128	(17,796)
Purchased Property Services	6,500	6,500	5,625	875
Purchased Services	650	650	6,227	(5,577)
Supplies	1,000	1,000	15,658	(14,658)
Supply Assets	0	0	1,743	(1,743)
Total Central Services	<u>92,313</u>	<u>92,313</u>	<u>148,977</u>	<u>(56,664)</u>
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	72,501	72,501	78,349	(5,848)
Employee Benefits	23,844	23,844	22,312	1,532
Professional & Tech Services	9,000	9,000	6,526	2,474
Purchased Property Services	122,758	122,758	96,262	26,496
Purchased Services	76,739	76,739	91,873	(15,134)
Supplies	27,400	39,285	44,701	(5,416)
Supply Assets	5,000	5,000	1,719	3,281
Total Operation & Maintenance of Plant	<u>337,242</u>	<u>349,127</u>	<u>341,742</u>	<u>7,385</u>
<b>Transportation</b>				
Personnel Services	10,622	10,905	11,020	(115)
Employee Benefits	7,864	9,123	9,313	(190)
Purchased Services	568	4,013	4,207	(194)
Total Transportation	<u>19,054</u>	<u>24,041</u>	<u>24,540</u>	<u>(499)</u>
<b>Other Support Services</b>				
Payment for State Match	2,750	2,750	11,342	(8,592)
Total Other Support Services	<u>\$ 2,750</u>	<u>\$ 2,750</u>	<u>\$ 11,342</u>	<u>\$ (8,592)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Food Services				
Personnel Services	\$ 15,530	\$ 15,530	\$ 16,420	\$ (890)
Employee Benefits	5,687	5,687	5,488	199
Purchased Services	0	0	0	0
Supplies	1,376	1,376	673	703
Total Food Services	<u>22,593</u>	<u>22,593</u>	<u>22,581</u>	<u>12</u>
 Total Expenditures	 <u>2,468,918</u>	 <u>2,425,984</u>	 <u>2,446,735</u>	 <u>(20,751)</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (65,095)	 (64,979)	 (23,713)	 41,266
 Cash Balance Beginning of Year	 <u>66,676</u>	 <u>66,676</u>	 <u>66,676</u>	 <u>0</u>
 Cash Balance End of Year	 <u>\$ 1,581</u>	 <u>\$ 1,697</u>	 <u>\$ 42,963</u>	 <u>\$ 41,266</u>
 Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (23,713)	
Net change in Taxes Receivable			929	
Net change in Accounts Payable			(1,893)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (24,677)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Rents & Leases	\$ 18,000	\$ 18,000	\$ 17,950	\$ (50)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>17,950</u>	<u>(50)</u>
<b>Expenditures</b>				
<b>Operation &amp; Maintenance of Plant</b>				
Purchased Property Services	3,000	27,947	26,846	1,101
Purchased Services	2,065	6,142	5,916	226
Supplies	500	6,064	2,364	3,700
Supply Assets	0	18	18	0
Total Operation & Maintenance of Plant	<u>5,565</u>	<u>40,171</u>	<u>35,144</u>	<u>5,027</u>
Total Expenditures	<u>5,565</u>	<u>40,171</u>	<u>35,144</u>	<u>5,027</u>
Excess (Deficiency) of Revenues Over Expenditures	12,435	(22,171)	(17,194)	4,977
Cash Balance Beginning of Year	<u>31,179</u>	<u>31,179</u>	<u>31,179</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 43,614</u>	<u>\$ 9,008</u>	<u>\$ 13,985</u>	<u>\$ 4,977</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (17,194)	
Net change in Accounts Payable			<u>158</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (17,036)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 141,161	\$ 137,259	\$ 137,226	\$ (33)
Total Revenues	<u>141,161</u>	<u>137,259</u>	<u>137,226</u>	<u>(33)</u>
Expenditures				
Support Services				
Personnel Services	18,419	18,419	18,426	(7)
Employee Benefits	8,162	8,162	7,144	1,018
Purchased Property Services	19,590	19,590	19,590	0
Purchased Services	94,990	91,121	92,059	(938)
Total Support Services	<u>141,161</u>	<u>137,292</u>	<u>137,219</u>	<u>73</u>
Total Expenditures	<u>141,161</u>	<u>137,292</u>	<u>137,219</u>	<u>73</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(33)	7	40
Cash Balance Beginning of Year	<u>66</u>	<u>66</u>	<u>66</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 66</u>	<u>\$ 33</u>	<u>\$ 73</u>	<u>\$ 40</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 7</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 7</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 5,557	\$ 5,557	\$ 5,985	\$ 428
Total Revenues	<u>5,557</u>	<u>5,557</u>	<u>5,985</u>	<u>428</u>
Expenditures				
Instruction				
Supplies	5,557	5,557	4,530	1,027
Total Instruction	<u>5,557</u>	<u>5,557</u>	<u>4,530</u>	<u>1,027</u>
Total Expenditures	<u>5,557</u>	<u>5,557</u>	<u>4,530</u>	<u>1,027</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,455	1,455
Cash Balance Beginning of Year	<u>276</u>	<u>276</u>	<u>276</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 276</u>	<u>\$ 276</u>	<u>\$ 1,731</u>	<u>\$ 1,455</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,455</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,455</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE-TITLE I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 73,189	\$ 74,494	\$ 64,426	\$ (10,068)
Total Revenues	<u>73,189</u>	<u>74,494</u>	<u>64,426</u>	<u>(10,068)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	19,105	0	0	0
Employee Benefits	6,583	0	0	0
Professional & Tech Services	0	0	265	(265)
Supplies	0	0	614	(614)
Supply Assets	0	24,022	23,022	1,000
Total Instruction	<u>25,688</u>	<u>24,022</u>	<u>23,901</u>	<u>121</u>
<b>Support Services-School Administration</b>				
Personnel Services	16,521	35,995	35,691	304
Employee Benefits	4,564	11,142	11,436	(294)
Total Support Services-School Administration	<u>21,085</u>	<u>47,137</u>	<u>47,127</u>	<u>10</u>
Total Expenditures	<u>46,773</u>	<u>71,159</u>	<u>71,028</u>	<u>131</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,416</u>	<u>3,335</u>	<u>(6,602)</u>	<u>(9,937)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	0	0	(15)	(15)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(15)</u>	<u>(15)</u>
Net Change in Cash Balance	26,416	3,335	(6,617)	(9,952)
Cash Balance Beginning of Year	<u>(10,383)</u>	<u>(10,383)</u>	<u>(10,383)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 16,033</u>	<u>\$ (7,048)</u>	<u>\$ (17,000)</u>	<u>\$ (9,952)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,602)	
Net change in Due from Grantor			6,617	
Transfers			(15)	
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, ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 66,381	\$ 66,365	\$ 43,704	\$ (22,661)
Total Revenues	<u>66,381</u>	<u>66,365</u>	<u>43,704</u>	<u>(22,661)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	16,849	17,702	15,491	2,211
Employee Benefits	16,984	11,329	6,426	4,903
Professional & Tech Services	0	1,299	2,113	(814)
Supplies	0	455	293	162
Supply Assets	0	3,032	3,528	(496)
Total Instruction	<u>33,833</u>	<u>33,817</u>	<u>27,851</u>	<u>5,966</u>
<b>Support Services-Students</b>				
Purchased Services	5,970	5,970	5,970	0
Total Support Service-Students	<u>5,970</u>	<u>5,970</u>	<u>5,970</u>	<u>0</u>
Total Expenditures	<u>39,803</u>	<u>39,787</u>	<u>33,821</u>	<u>5,966</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,578</u>	<u>26,578</u>	<u>9,883</u>	<u>(16,695)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	0	0	(300)	(300)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(300)</u>	<u>(300)</u>
Net Change in Cash Balance	26,578	26,578	9,583	(16,995)
Cash Balance Beginning of Year	<u>(26,578)</u>	<u>(26,578)</u>	<u>(26,578)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (16,995)</u>	<u>\$ (16,695)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,883	
Net change in Due from Grantor			(9,583)	
Transfers			(300)	
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 382	\$ 52,189	\$ 29,755	\$ (22,434)
Total Revenues	<u>382</u>	<u>52,189</u>	<u>29,755</u>	<u>(22,434)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	43,498	35,032	8,466
Employee Benefits	0	8,309	8,780	(471)
Professional & Tech Services	0	0	1,579	(1,579)
Supplies	0	0	600	(600)
Supply Assets	0	0	3,069	(3,069)
Total Instruction	<u>0</u>	<u>51,807</u>	<u>49,060</u>	<u>2,747</u>
Total Expenditures	<u>0</u>	<u>51,807</u>	<u>49,060</u>	<u>2,747</u>
Excess (Deficiency) of Revenues Over Expenditures	382	382	(19,305)	(25,181)
Cash Balance Beginning of Year	<u>(382)</u>	<u>(382)</u>	<u>(382)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (19,687)</u>	<u>\$ (25,181)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (19,305)	
Net change in Due from Grantor			19,305	
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 DIRECTED ACTIVITIES-27200  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 49,049	\$ 23,916	\$ (25,133)
Total Revenues	<u>0</u>	<u>49,049</u>	<u>23,916</u>	<u>(25,133)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	18,189	13,692	4,497
Employee Benefits	0	6,359	6,359	0
Supply Assets	0	4,016	4,016	0
Total Instruction	<u>0</u>	<u>28,564</u>	<u>24,067</u>	<u>4,497</u>
<b>Support Services-Instruction</b>				
Personnel Services	0	10,740	10,740	0
Employee Benefits	0	3,017	3,017	0
Total Support Services-Instruction	<u>0</u>	<u>13,757</u>	<u>13,757</u>	<u>0</u>
<b>Central Services</b>				
Personnel Services	0	4,631	4,631	0
Employee Benefits	0	2,097	2,097	0
Total Central Services	<u>0</u>	<u>6,728</u>	<u>6,728</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>49,049</u>	<u>44,552</u>	<u>4,497</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(20,636)	(20,636)
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>\$ (20,636)</u>	<u>\$ (20,636)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (20,636)	
Net change in Due from Grantor			<u>20,636</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**  
Statement of Fiduciary Net Assets and Liabilities-Agency Funds  
June 30, 2011

---

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 90,858
Total Assets	<u>\$ 90,858</u>
Liabilities	
Deposits Held for Others	\$ 90,858
Total Liabilities	<u>\$ 90,858</u>

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

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

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

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

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

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

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

***Governmental Funds***

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

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

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

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

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

***Fiduciary Fund Type***

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

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

**Major Funds**

The District reports the following major governmental funds:

**General Fund (11000)(12000)(13000)(14000)**

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

**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.

**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 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.

**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.

#### CAPITAL PROJECT FUND

##### **Bond Building (31100)**

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

**Senate Bill Nine (31700).** The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

##### **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.

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2011

---

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

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

Cash and Cash Equivalents

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

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

Investments

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

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

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

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

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

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



Inventories and Prepaid Items

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

Capital Assets

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

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

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:

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2011

---

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

Nonspendable fund balance represents assets that are other than cash such as inventory.

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

Assigned fund balance classification are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned 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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2011

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

Estimates

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

**NOTE B: CASH AND INVESTMENTS**

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

<b>Western Bank</b>	Balance Per Bank 6/30/11	Reconciled Balance	Type
<u>Name of Account</u>			
Lake Arthur Municipal Schools	\$ 782,011	\$ 782,013	Checking
Lake Arthur Municipal Schools	350,606	167,909	Checking
Payroll Clearing	96,163	0	Checking
Cafeteria	48,157	47,940	Checking
Athletics	25	25	Checking
Activities	94,318	90,858	Checking
TOTAL Deposited	<u>1,371,280</u>	<u>\$ 1,088,745</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	1,121,280		
50% collateral requirement	560,640		
Pledged securities	<u>993,697</u>		
Over (Under) requirement	<u>\$ 433,057</u>		

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

The following securities are pledged at Western Bank.

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLMC Pool #780468	31342AQV4	73,637	04/01/33	*FHLB
FNMA Pool #257180	31371NUD5	208,527	04/01/38	*FHLB
FNMA Pool #257291	31371NXU4	207,087	07/01/18	*FHLB
Questa ISD	748352DC2	504,446	09/01/26	*FHLB
		<u>993,697</u>		* Dallas, TX

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	Bank Balance
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	993,697
Over insured and over collateralized	127,583
Total Deposits	<u>\$ 1,371,280</u>

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Notes to the Financial Statements  
 June 30, 2011

---

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, 2011 \$127,583 of the District's bank balance of \$1,371,280 was exposed to custodial credit risk.

**NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund Balances during the year ending June 30, 2011 were as follows:

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds				
	Title I 24101	IDEA B Entitlement 24106	IDEA B Risk Pool 24120	State Directed 27200	Other Governmental Funds
General Fund	\$ 17,000	\$ 16,995	\$ 19,687	\$ 20,636	\$ 16,030
Totals	\$ <u>17,000</u>	\$ <u>16,995</u>	\$ <u>19,687</u>	\$ <u>20,636</u>	\$ <u>16,030</u>

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

**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2011:

	Operational	Senate Bill Nine	Debt Service	Total
Property Taxes Receivable:				
Available	\$ 3,823	\$ 18,491	\$ 15,329	\$ 37,643
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	\$ <u>3,823</u>	\$ <u>18,491</u>	\$ <u>15,329</u>	\$ <u>37,643</u>

**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, 2011:

	Other Governmental	Total
Property Taxes	\$ 0	\$ 0
Federal Revenues	0	0
TOTAL Deferred Revenues	\$ <u>0</u>	\$ <u>0</u>

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2011

**NOTE F: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2011, is as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 14,579	\$ 0	\$ 0	\$ 14,579
Total Capital Assets not being Depreciated	<u>14,579</u>	<u>0</u>	<u>0</u>	<u>14,579</u>
Capital Assets, being Depreciated				
Construction in Progress	355,312	586,883	942,195	0
Buildings & Improvements	7,575,870	942,195	0	8,518,065
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>896,207</u>	<u>60,901</u>	<u>0</u>	<u>957,108</u>
Total Capital Assets, being Depreciated	<u>8,827,389</u>	<u>1,589,979</u>	<u>942,195</u>	<u>9,475,173</u>
Total Capital Assets	<u>\$ 8,841,968</u>	<u>\$ 1,589,979</u>	<u>\$ 942,195</u>	<u>\$ 9,489,752</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	\$ 3,458,064	\$ 254,943	\$ 0	\$ 3,713,007
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>643,781</u>	<u>39,013</u>	<u>0</u>	<u>682,794</u>
Total Accumulated Depreciation	<u>4,101,845</u>	<u>293,956</u>	<u>0</u>	<u>4,395,801</u>
Capital Assets, net	<u>\$ 4,740,123</u>	<u>\$ 1,296,023</u>	<u>\$ 942,195</u>	<u>\$ 5,093,951</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 254,102
Support Service	1,312
General Administration	1,385
School Administration	95
Operation of Plant	14,743
Food Service	19,315
Transportation	3,003
Total depreciation expenses	<u>\$ 293,955</u>

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2011

**NOTE G: LONG TERM DEBT**

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

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,955,000	\$ 750,000	\$ 90,000	\$ 2,615,000	\$ 100,000
Total Bonds	<u>1,955,000</u>	<u>750,000</u>	<u>90,000</u>	<u>2,615,000</u>	<u>100,000</u>
Other Liabilities					
Compensated					
Absences	16,253	17,501	17,168	16,586	0
Total Other					
Liabilities	<u>16,253</u>	<u>17,501</u>	<u>17,168</u>	<u>16,586</u>	<u>0</u>
Long-Term					
Liabilities	<u>\$ 1,971,253</u>	<u>\$ 767,501</u>	<u>\$ 107,168</u>	<u>\$ 2,631,586</u>	<u>\$ 100,000</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.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2005	06-15-05	400,000	4.1%-4.25%	\$ 365,000
2006	04-16-06	240,000	3.875%-4.0%	200,000
2007	04-01-07	400,000	4%	375,000
2009	08-15-08	470,000	4%-5.6%	470,000
2010	03-15-10	455,000	2%-4.35%	455,000
2011	05-15-11	750,000	3.3%-4.3%	750,000
				<u>\$ 2,615,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2011, including interest payments are as follows:

	Principal	Interest	Total
2012	\$ 100,000	\$ 112,339	\$ 212,339
2013	105,000	108,451	213,451
2014	115,000	104,233	219,233
2015	155,000	99,708	254,708
2016	155,000	93,582	248,582
2017-2021	860,000	377,966	1,237,966
2022-2024	1,075,000	161,400	1,236,400
2025-2027	50,000	2,150	52,150
	<u>\$ 2,615,000</u>	<u>\$ 1,059,829</u>	<u>\$ 3,674,829</u>

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Notes to the Financial Statements  
June 30, 2011

---

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

Note G	\$ 2,615,000
Net Issue Costs/Premium/Discounts on Bond Issues	(266,902)
Accumulated Amortization	84,464
Statement of Net Assets	<u>\$ 2,432,562</u>
 Government Wide Statements	
Amount Reported as Current Amount Due	\$ 100,000
Amount Reported as Long-Term Due	2,332,562
Statement of Net Assets	<u>\$ 2,432,562</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 the District. In conjunction with that facet of financial stability in Lake Arthur, the District has pursued a program of facility improvements that has led to a completely updated kitchen/cafeteria facility and a 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](http://www.nmerb.org).

Effective July 1, 2009 through June 30, 2011, 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. Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. 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, 2011, 2010, and 2009, were \$314,079, \$314,482 and \$298,510 respectively, which equal the amount of the required contributions for each fiscal

**NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:



STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 Notes to the Financial Statements  
 June 30, 2011

---

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

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
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, 2011, 2010 and 2009 were \$38,644, \$30,209 and \$30,204 respectively, which equal the required contributions for each year.

**NOTE K: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS**

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

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

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

Reconciliations are located at the bottom of each budget actual.

**NOTE L: INSURANCE COVERAGE**

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

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

**NOTE M. SURETY BOND**

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

**NOTE N: JOINT POWERS AGREEMENTS**

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

The total expenditures for the District was \$44,552. The revenues and expenditures in the following special revenue funds:

27200 State Directed

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.

**NOTE O. BUDGET**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The following funds exceeded approved budgetary authority for the year ended June 30, 2011:

	Budget			Over
	Original	Final	Actual	Budget
General Fund-Operational (11000)				
Support Services-Instruction	\$ 86,055	\$ 86,055	\$ 87,904	\$ (1,849)
Central Services	92,313	92,313	148,977	(56,664)
Transportation	19,054	24,041	24,540	(499)
Other Support Services	\$ 2,750	\$ 2,750	\$ 11,342	\$ (8,592)

**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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Bond Proceeds	\$ 0	\$ 688,372	\$ 750,000	\$ 61,628
Total Revenues	<u>0</u>	<u>688,372</u>	<u>750,000</u>	<u>61,628</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Professional & Tech Services	0	66,067	20,719	45,348
Purchased Property Services	476,230	1,097,405	516,164	581,241
Supply Assets	0	712	0	712
Total Capital Outlay	<u>476,230</u>	<u>1,164,184</u>	<u>536,883</u>	<u>627,301</u>
Total Expenditures	<u>476,230</u>	<u>1,164,184</u>	<u>536,883</u>	<u>627,301</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(476,230)</u>	<u>(475,812)</u>	<u>213,117</u>	<u>688,929</u>
<b>Other Financing Sources (Uses)</b>				
Bond Issue Cost	0	0	(46,628)	(46,628)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(46,628)</u>	<u>(46,628)</u>
Net Change in Cash Balance	(476,230)	(475,812)	166,489	642,301
Cash Balance Beginning of Year	<u>475,812</u>	<u>475,812</u>	<u>475,812</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(418)</u>	\$ <u>0</u>	\$ <u>642,301</u>	\$ <u>642,301</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>166,489</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>166,489</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 94,197	\$ 166,009	\$ 187,082	\$ 21,073
State Grant	0	4,627	0	(4,627)
Total Revenues	<u>94,197</u>	<u>170,636</u>	<u>187,082</u>	<u>16,446</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Professional & Tech Services	100	600	377	223
Total Support Services-General	<u>100</u>	<u>600</u>	<u>377</u>	<u>223</u>
<b>Capital Outlay</b>				
Professional & Tech Services	0	10,000	0	10,000
Purchased Property Services	50,000	50,000	25,911	24,089
Supplies	2,500	35,627	2,037	33,590
Land Improvements	10,500	10,500	369	10,131
Vehicles	2,500	2,500	957	1,543
Fixed Assets	28,597	77,010	72,593	4,417
Supply Assets	0	19,361	19,475	(114)
Total Capital Outlay	<u>94,097</u>	<u>204,998</u>	<u>121,342</u>	<u>83,656</u>
Total Expenditures	<u>94,197</u>	<u>205,598</u>	<u>121,719</u>	<u>83,879</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(34,962)</u>	<u>65,363</u>	<u>100,325</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	0	0	63	63
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>63</u>	<u>63</u>
Net Change in Cash Balance	0	(34,962)	65,426	100,388
Cash Balance Beginning of Year	<u>34,963</u>	<u>34,963</u>	<u>34,963</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 34,963</u>	<u>\$ 1</u>	<u>\$ 100,389</u>	<u>\$ 100,388</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 65,426	
Net change in Taxes Receivable			<u>6,896</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 72,322</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 173,066	\$ 173,066	\$ 186,411	\$ 13,345
Total Revenues	<u>173,066</u>	<u>173,066</u>	<u>186,411</u>	<u>13,345</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	200	700	479	221
Total Support Services-General Administration	<u>200</u>	<u>700</u>	<u>479</u>	<u>221</u>
Debt Service				
Principal	90,000	90,000	90,000	0
Interest	83,066	83,066	83,066	0
Total Debt Service	<u>173,066</u>	<u>173,066</u>	<u>173,066</u>	<u>0</u>
Total Expenditures	<u>173,266</u>	<u>173,766</u>	<u>173,545</u>	<u>221</u>
Excess (Deficiency) of Revenues Over Expenditures	(200)	(700)	12,866	13,566
Cash Balance Beginning of Year	<u>193,763</u>	<u>193,763</u>	<u>193,763</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 193,563</u>	<u>\$ 193,063</u>	<u>\$ 206,629</u>	<u>\$ 13,566</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,866	
Net change in Taxes Receivable			7,912	
Net change in Current Portion Due-Principal			0	
Net change in Current Portion Due-Interest			744	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 21,522</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).

**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.

**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).

**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).



**NONMAJOR SPECIAL REVENUE FUNDS**

**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.

**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 Part 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.

**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.

**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.

**Education Job Fund (25255).** To provide for the compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. Authorized by PL No 111-226.

**NONMAJOR SPECIAL REVENUE FUNDS**

**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.

**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.

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Migrant 24103
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 47,941	\$ 25	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	1,666	0	0
Total Assets	<u>\$ 49,607</u>	<u>\$ 25</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
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>
<b>Fund Balance</b>			
Nonspendable-Inventory	1,666	0	0
Restricted for, reported in			
Special Revenue	47,941	25	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>49,607</u>	<u>25</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 49,607</u>	<u>\$ 25</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	IDEA B Discretionary 24107	IDEA B Competitive 24108	IDEA Preschool 24109
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	218
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 218</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	218
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>218</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
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>\$ 218</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, 2011

	Special Revenue Funds		
	Enhancing Education Through Technology 24133	Teacher Principal Training 24154	Safe & Drug Free Schools 24157
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	2,306	111
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 2,306</u>	<u>\$ 111</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	2,306	111
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>2,306</u>	<u>111</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
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>\$ 2,306</u>	<u>\$ 111</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	Carl Perkins 24180	Carl Perkins Redistribution 24182	Title I Recovery Act 24201
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	1,468	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,468</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	1,468	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,468</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
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>\$ 1,468</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 Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	IDEA B	IDEA	
	Recovery Act 24206	Preschool Recovery Act 24209	Medicaid 25153
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 9,190
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,190</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
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>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue	0	0	9,190
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>9,190</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,190</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, 2011

	Special Revenue Funds		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250	Education Jobs Fund 25255
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	11,927	0	0
Inventory	0	0	0
Total Assets	<u>\$ 11,927</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	11,927	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>11,927</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
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>\$ 11,927</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 Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	Technology for Education <u>27117</u>	Incentives for School Improvement <u>27138</u>	Libraries GO Bonds <u>27145</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,057	\$ 1	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,057</u>	<u>\$ 1</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
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>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue	1,057	1	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>1,057</u>	<u>1</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,057</u>	<u>\$ 1</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	Beginning Teacher Mentoring <u>27154</u>	Breakfast for Elementary <u>27155</u>	Student Travel <u>27165</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,976	\$ 986	\$ 0
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 8,976</u>	<u>\$ 986</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
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>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue	8,976	986	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>8,976</u>	<u>986</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 8,976</u>	<u>\$ 986</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2011

	Special Revenue Funds		
	Library Books 27170	NM Outdoor Classroom 27504	2008 Library Books 27549
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 489
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 489</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
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>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue	0	0	489
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>489</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 489</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2011

	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	
	School Based Health Clinic 29130	Special School Capital Outlay State 31400	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,499	\$ 0	\$ 80,164
Receivables			
Property Taxes	0	0	0
Due from Grantor	0	0	16,030
Inventory	0	0	1,666
Total Assets	<u>\$ 11,499</u>	<u>\$ 0</u>	<u>\$ 97,860</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	16,030
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>16,030</u>
<b>Fund Balance</b>			
Nonspendable-Inventory	0	0	1,666
Restricted for, reported in			
Special Revenue	11,499	0	80,164
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>11,499</u>	<u>0</u>	<u>81,830</u>
Total Liabilities and Fund Balance	<u>\$ 11,499</u>	<u>\$ 0</u>	<u>\$ 97,860</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, 2011

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Migrant 24103
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	83	3	0
Fees	5,821	9,166	0
State & Local Grants	0	0	0
Federal Grants	87,676	0	3,000
Miscellaneous	50	0	0
Total Revenues	<u>93,630</u>	<u>9,169</u>	<u>3,000</u>
<b>Expenditures</b>			
Current			
Instruction	0	9,939	3,000
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	87,527	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>87,527</u>	<u>9,939</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,103</u>	<u>(770)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	6,103	(770)	0
Fund Balances at Beginning of Year	<u>43,504</u>	<u>795</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 49,607</u>	<u>\$ 25</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, 2011

	Special Revenue Funds		
	IDEA B	IDEA B	IDEA
	Discretionary 24107	Competitive 24108	Preschool 24109
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	2,944
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>2,944</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	2,499
Support Services-Students	0	0	445
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>0</u>	<u>2,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	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, 2011

	Special Revenue Funds		
	Enhancing Education Through Technology 24133	Teacher Principal Training 24154	Safe & Drug Free Schools 24157
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	19,138	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>19,138</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	19,138	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>0</u>	<u>19,138</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	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, 2011

	Special Revenue Funds		
	Carl Perkins 24180	Carl Perkins Redistribution 24182	Title I Recovery Act 24201
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	29,415	0	5,994
Miscellaneous	0	0	0
Total Revenues	<u>29,415</u>	<u>0</u>	<u>5,994</u>
<b>Expenditures</b>			
Current			
Instruction	24,676	0	5,994
Support Services-Students	1,132	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	873	0	0
Support Services-School Administration	2,734	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>29,415</u>	<u>0</u>	<u>5,994</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	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, 2011

	Special Revenue Funds		
	IDEA B	IDEA	
	Recovery Act 24206	Preschool Recovery Act 24209	Medicaid 25153
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	16,191
State & Local Grants	0	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>16,191</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Students	0	0	11,512
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>0</u>	<u>11,512</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>4,679</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	4,679
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>4,511</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,190</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, 2011

	Special Revenue Funds		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250	Education Jobs Fund 25255
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	11,958	15,825	42,638
Miscellaneous	0	0	0
Total Revenues	<u>11,958</u>	<u>15,825</u>	<u>42,638</u>
<b>Expenditures</b>			
Current			
Instruction	11,958	10,294	42,143
Support Services-Students	0	729	495
Support Services-Instruction	0	365	0
Support Services-General Administration	0	729	0
Support Services-School Administration	0	729	0
Central Services	0	791	0
Operation & Maintenance of Plant	0	1,094	0
Transportation	0	365	0
Food Services	0	729	0
Capital Outlay	0	0	0
Total Expenditures	<u>11,958</u>	<u>15,825</u>	<u>42,638</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	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, 2011

	Special Revenue Funds		
	Technology for Education 27117	Incentives for School Improvement 27138	Libraries GO Bonds 27145
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>			
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	30	0	0
Transportation	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>30</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(30)</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(30)	0	0
Fund Balances at Beginning of Year	<u>1,087</u>	<u>1</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,057</u>	<u>\$ 1</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, 2011

	Special Revenue Funds		
	Beginning Teacher Mentoring 27154	Breakfast for Elementary 27155	Student Travel 27165
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	2,403	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>2,403</u>	<u>0</u>
<b>Expenditures</b>			
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	0	1,448	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>1,448</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>955</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	955	0
Fund Balances at Beginning of Year	<u>8,976</u>	<u>31</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 8,976</u>	<u>\$ 986</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, 2011

	Special Revenue Funds		
	Library Books 27170	NM Outdoor Classroom 27504	2008 Library Books 27549
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>			
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	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	0	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>489</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 489</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	
	School Based Health Clinic 29130	Special School Capital Outlay State 31400	Total
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	86
Fees	0	0	31,178
State & Local Grants	43,105	0	45,508
Federal Grants	0	0	218,588
Miscellaneous	0	0	50
Total Revenues	<u>43,105</u>	<u>0</u>	<u>295,410</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	129,641
Support Services-Students	52,994	0	67,307
Support Services-Instruction	0	0	365
Support Services-General Administration	0	0	1,602
Support Services-School Administration	0	0	3,463
Central Services	0	0	791
Operation & Maintenance of Plant	0	0	1,124
Transportation	0	0	365
Food Services	0	0	89,704
Capital Outlay	50,000	0	50,000
Total Expenditures	<u>102,994</u>	<u>0</u>	<u>344,362</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(59,889)</u>	<u>0</u>	<u>(48,952)</u>
<b>Other Financing Sources (Uses)</b>			
Transfer Out	0	(63)	(63)
Total Other Sources (Uses)	<u>0</u>	<u>(63)</u>	<u>(63)</u>
Net Change in Fund Balance	(59,889)	(63)	(49,015)
Fund Balances at Beginning of Year	<u>71,388</u>	<u>63</u>	<u>130,845</u>
Fund Balance End of Year	<u>\$ 11,499</u>	<u>\$ 0</u>	<u>\$ 81,830</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 5,616	\$ 5,616	\$ 5,822	\$ 206
Interest Income	58	58	83	25
Federal Grants	78,990	78,990	83,967	4,977
Miscellaneous	0	0	50	50
Total Revenues	<u>84,664</u>	<u>84,664</u>	<u>89,922</u>	<u>5,258</u>
<b>Expenditures</b>				
<b>Food Services</b>				
Personnel Services	15,530	15,530	17,042	(1,512)
Employee Benefits	8,131	8,131	5,360	2,771
Professional & Tech Services	650	650	254	396
Purchased Services	200	200	788	(588)
Supplies	73,814	96,398	56,915	39,483
Supply Assets	0	0	3,542	(3,542)
Total Food Services	<u>98,325</u>	<u>120,909</u>	<u>83,901</u>	<u>37,008</u>
Total Expenditures	<u>98,325</u>	<u>120,909</u>	<u>83,901</u>	<u>37,008</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,661)	(36,245)	6,021	42,266
Cash Balance Beginning of Year	<u>41,920</u>	<u>41,920</u>	<u>41,920</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 28,259</u>	<u>\$ 5,675</u>	<u>\$ 47,941</u>	<u>\$ 42,266</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,021	
Net change in Inventory			<u>82</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,103</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 6,500	\$ 9,166	\$ 9,165	\$ (1)
Interest Income	2	2	3	1
Total Revenues	<u>6,502</u>	<u>9,168</u>	<u>9,168</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	0	2,527	(2,527)
Purchased Services	7,266	9,963	7,411	2,552
Total Instruction	<u>7,266</u>	<u>9,963</u>	<u>9,938</u>	<u>25</u>
Total Expenditures	<u>7,266</u>	<u>9,963</u>	<u>9,938</u>	<u>25</u>
Excess (Deficiency) of Revenues Over Expenditures	(764)	(795)	(770)	25
Cash Balance Beginning of Year	<u>795</u>	<u>795</u>	<u>795</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 31</u>	<u>\$ 0</u>	<u>\$ 25</u>	<u>\$ 25</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (770)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (770)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 5,550	5,550	\$ 5,550	\$ 0
Total Revenues	<u>5,550</u>	<u>5,550</u>	<u>5,550</u>	<u>0</u>
Expenditures				
Instruction				
Purchased Services	0	0	147	(147)
Supplies	<u>3,000</u>	<u>3,000</u>	<u>2,853</u>	<u>147</u>
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	2,550	2,550	2,550	0
Cash Balance Beginning of Year	<u>(2,550)</u>	<u>(2,550)</u>	<u>(2,550)</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			\$ 2,550	
Net change in Due from Grantor			<u>(2,550)</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 B-DISCRETIONARY-24107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	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				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	0	0	(1,961)	(1,961)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,961)</u>	<u>(1,961)</u>
Net Change in Cash Balance	0	0	(1,961)	(1,961)
Cash Balance Beginning of Year	<u>1,961</u>	<u>1,961</u>	<u>1,961</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,961</u>	<u>\$ 1,961</u>	<u>\$ 0</u>	<u>\$ (1,961)</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-IDEA B-COMPETITIVE-24108  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	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
Other Financing Sources (Uses)				
Transfers	0	0	(1,537)	(1,537)
Total Other Financing Sources (Uses)	0	0	(1,537)	(1,537)
Net Change in Cash Balance	0	0	(1,537)	(1,537)
Cash Balance Beginning of Year	1,537	1,537	1,537	0
Cash Balance End of Year	\$ 1,537	\$ 1,537	\$ 0	\$ (1,537)
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 5,762	\$ 6,207	\$ 4,997	\$ (1,210)
Total Revenues	<u>5,762</u>	<u>6,207</u>	<u>4,997</u>	<u>(1,210)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>2,519</u>	<u>2,520</u>	<u>2,500</u>	<u>20</u>
Total Instruction	<u>2,519</u>	<u>2,520</u>	<u>2,500</u>	<u>20</u>
<b>Support Services-Students</b>				
Purchased Services	<u>445</u>	<u>445</u>	<u>445</u>	<u>0</u>
Total Support Services-Students	<u>445</u>	<u>445</u>	<u>445</u>	<u>0</u>
Total Expenditures	<u>2,964</u>	<u>2,965</u>	<u>2,945</u>	<u>20</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,798</u>	<u>3,242</u>	<u>2,052</u>	<u>(1,190)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	<u>0</u>	<u>0</u>	<u>972</u>	<u>972</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>972</u>	<u>972</u>
Net Change in Cash Balance	2,798	3,242	3,024	(218)
Cash Balance Beginning of Year	<u>(3,242)</u>	<u>(3,242)</u>	<u>(3,242)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (444)</u>	<u>\$ 0</u>	<u>\$ (218)</u>	<u>\$ (218)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,052	
Net change in Due from Grantor			(3,024)	
Transfers			<u>972</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-ENHANCING EDUCATION THROUGH TECHNOLOGY-24133  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	0	0	(2,045)	(2,045)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,045)</u>	<u>(2,045)</u>
Net Change in Cash Balance	0	0	(2,045)	(2,045)
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>\$ 0</u>	<u>\$ (2,045)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-TITLE II-24154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 29,479	\$ 29,863	\$ 26,977	\$ (2,886)
Total Revenues	<u>29,479</u>	<u>29,863</u>	<u>26,977</u>	<u>(2,886)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	1,800	(1,800)
Employee Benefits	0	0	354	(354)
Professional & Tech Services	18,754	19,138	16,091	3,047
Supplies	<u>0</u>	<u>0</u>	<u>893</u>	<u>(893)</u>
Total Instruction	<u>18,754</u>	<u>19,138</u>	<u>19,138</u>	<u>0</u>
Total Expenditures	<u>18,754</u>	<u>19,138</u>	<u>19,138</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,725</u>	<u>10,725</u>	<u>7,839</u>	<u>(2,886)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	0	0	580	580
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>580</u>	<u>580</u>
Net Change in Cash Balance	10,725	10,725	8,419	(2,306)
Cash Balance Beginning of Year	<u>(10,725)</u>	<u>(10,725)</u>	<u>(10,725)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,306)</u>	<u>\$ (2,306)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,839	
Net change in Due from Grantor			(8,419)	
Transfers			<u>580</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITY-24157  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 929	\$ 929	\$ 818	\$ (111)
Total Revenues	<u>929</u>	<u>929</u>	<u>818</u>	<u>(111)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Support Services-Students</b>				
Purchased Services	0	0	0	0
Total Support Services-Students	<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	929	929	818	(111)
Cash Balance Beginning of Year	<u>(929)</u>	<u>(929)</u>	<u>(929)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (111)</u>	<u>\$ (111)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-CARL PERKINS-24180  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 29,489	\$ 29,496	\$ 31,221	\$ 1,725
Total Revenues	<u>29,489</u>	<u>29,496</u>	<u>31,221</u>	<u>1,725</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	400	(400)
Employee Benefits	0	753	801	(48)
Professional & Tech Services	1,500	3,500	4,460	(960)
Other Purchased Services	<u>28,054</u>	<u>20,557</u>	<u>19,014</u>	<u>1,543</u>
Total Instruction	<u>29,554</u>	<u>24,810</u>	<u>24,675</u>	<u>135</u>
<b>Support Services-Instruction</b>				
Professional & Tech Services	0	611	603	8
Other Purchased Services	<u>0</u>	<u>529</u>	<u>528</u>	<u>1</u>
Total Support Services-Instruction	<u>0</u>	<u>1,140</u>	<u>1,131</u>	<u>9</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	150	150	0
Other Purchased Services	<u>0</u>	<u>724</u>	<u>724</u>	<u>0</u>
Support Services-General Administration	<u>0</u>	<u>874</u>	<u>874</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	0	1,056	1,054	2
Other Purchased Services	<u>0</u>	<u>1,681</u>	<u>1,681</u>	<u>0</u>
Support Services-School Administration	<u>0</u>	<u>2,737</u>	<u>2,735</u>	<u>2</u>
Total Expenditures	<u>29,554</u>	<u>29,561</u>	<u>29,415</u>	<u>146</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(65)</u>	<u>(65)</u>	<u>1,806</u>	<u>1,871</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	0	0	(3,339)	(3,339)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,339)</u>	<u>(3,339)</u>
Net Change in Cash Balance	(65)	(65)	(1,533)	(1,468)
Cash Balance Beginning of Year	<u>65</u>	<u>65</u>	<u>65</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,468)</u>	<u>\$ (1,468)</u>



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, 2011

---

Reconciliation of Budgetary Basis to GAAP Basis	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ 1,806
Net change in Due from Grantor	1,468
Net change in Deferred Revenue	65
Transfers	<u>(3,339)</u>
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	<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**  
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,069	\$ 3,069	\$ 3,069	\$ 0
Total Revenues	<u>3,069</u>	<u>3,069</u>	<u>3,069</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	3,069	3,069	3,069	0
Cash Balance Beginning of Year	<u>(3,069)</u>	<u>(3,069)</u>	<u>(3,069)</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			\$ 3,069	
Net change in Due from Grantor			<u>(3,069)</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-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 6,007	\$ 6,007	\$ 5,994	\$ (13)
Total Revenues	<u>6,007</u>	<u>6,007</u>	<u>5,994</u>	<u>(13)</u>
Expenditures				
Instruction				
Professional & Tech Services	6,007	5,682	5,967	(285)
Supplies	<u>0</u>	<u>325</u>	<u>27</u>	<u>298</u>
Total Instruction	<u>6,007</u>	<u>6,007</u>	<u>5,994</u>	<u>13</u>
Total Expenditures	<u>6,007</u>	<u>6,007</u>	<u>5,994</u>	<u>13</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 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 19,316	\$ 19,316	\$ 19,316	\$ 0
Total Revenues	<u>19,316</u>	<u>19,316</u>	<u>19,316</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	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	19,316	19,316	19,316	0
Cash Balance Beginning of Year	<u>(19,316)</u>	<u>(19,316)</u>	<u>(19,316)</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			\$ 19,316	
Net change in Due from Grantor			<u>(19,316)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,485	\$ 1,485	\$ 1,485	\$ 0
Total Revenues	<u>1,485</u>	<u>1,485</u>	<u>1,485</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,485	1,485	1,485	0
Cash Balance Beginning of Year	<u>(1,485)</u>	<u>(1,485)</u>	<u>(1,485)</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			\$ 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 5,179	\$ 8,132	\$ 16,191	\$ 8,059
Total Revenues	<u>5,179</u>	<u>8,132</u>	<u>16,191</u>	<u>8,059</u>
Expenditures				
Support Services-Students				
Professional & Tech Services	340	340	472	(132)
Purchased Services	1,350	1,350	2,852	(1,502)
Supplies	8,000	10,953	8,188	2,765
Total Support Services-Students	<u>9,690</u>	<u>12,643</u>	<u>11,512</u>	<u>1,131</u>
Total Expenditures	<u>9,690</u>	<u>12,643</u>	<u>11,512</u>	<u>1,131</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,511)	(4,511)	4,679	9,190
Cash Balance Beginning of Year	<u>4,511</u>	<u>4,511</u>	<u>4,511</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,190</u>	<u>\$ 9,190</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,679	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,679</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 9,105	\$ 17,535	\$ 0	\$ (17,535)
Total Revenues	<u>9,105</u>	<u>17,535</u>	<u>0</u>	<u>(17,535)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	1,800	(1,800)
Employee Benefits	0	0	357	(357)
Professional & Tech Services	9,136	17,566	9,801	7,765
Other Purchased Services	0	0	0	0
Total Instruction	<u>9,136</u>	<u>17,566</u>	<u>11,958</u>	<u>5,608</u>
Total Expenditures	<u>9,136</u>	<u>17,566</u>	<u>11,958</u>	<u>5,608</u>
Excess (Deficiency) of Revenues Over Expenditures	(31)	(31)	(11,958)	(11,927)
Cash Balance Beginning of Year	<u>31</u>	<u>31</u>	<u>31</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,927)</u>	<u>\$ (11,927)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,958)	
Net change in Due from Grantor			11,927	
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 15,825	\$ 15,825	\$ 15,825	\$ 0
Total Revenues	<u>15,825</u>	<u>15,825</u>	<u>15,825</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	10,294	10,154	10,154	0
Supplies	0	140	140	0
Total Instruction	<u>10,294</u>	<u>10,294</u>	<u>10,294</u>	<u>0</u>
<b>Support Services-Students</b>				
Professional & Tech Services	729	729	729	0
Total Support Service-Students	<u>729</u>	<u>729</u>	<u>729</u>	<u>0</u>
<b>Support Services-Instruction</b>				
Professional & Tech Services	365	365	365	0
Total Support Services-Instruction	<u>365</u>	<u>365</u>	<u>365</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	729	729	729	0
Total Support Services-General Administration	<u>729</u>	<u>729</u>	<u>729</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	729	729	729	0
Total Support Services-School Administration	<u>729</u>	<u>729</u>	<u>729</u>	<u>0</u>
<b>Central Services</b>				
Professional & Tech Services	791	791	791	0
Total Central Services	<u>791</u>	<u>791</u>	<u>791</u>	<u>0</u>
<b>Operation &amp; Maintenance of Plant</b>				
Professional & Tech Services	1,094	1,094	1,094	0
Total Operation & Maintenance of Plant	<u>1,094</u>	<u>1,094</u>	<u>1,094</u>	<u>0</u>
<b>Transportation</b>				
Purchased Services	365	365	365	0
Total Transportation	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ 365</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Food Service Operations				
Purchased Services	\$ 729	\$ 729	\$ 729	\$ 0
Total Food Services Operations	<u>729</u>	<u>729</u>	<u>729</u>	<u>0</u>
 Total Expenditures	 <u>15,825</u>	 <u>15,825</u>	 <u>15,825</u>	 <u>0</u>
 Excess (Deficiency) of Revenues Over Expenditures	 0	 0	 0	 0
 Cash Balance Beginning of Year	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Cash Balance End of Year	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
 Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <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-EDUCATION JOBS FUND-25255  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 42,638	\$ 42,638	\$ 0
Total Revenues	<u>0</u>	<u>42,638</u>	<u>42,638</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	42,638	42,143	495
Employee Benefits	<u>0</u>	<u>0</u>	<u>495</u>	<u>(495)</u>
Total Instruction	<u>0</u>	<u>42,638</u>	<u>42,638</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>42,638</u>	<u>42,638</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-TECHNOLOGY FOR EDUCATION-27117  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$	\$	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Operations & Maintenance of Plant				
Supplies	0	169	30	139
Total Operations & Maintenance of Plant	<u>0</u>	<u>169</u>	<u>30</u>	<u>139</u>
Total Expenditures	<u>0</u>	<u>169</u>	<u>30</u>	<u>139</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(169)	(30)	139
Cash Balance Beginning of Year	<u>1,087</u>	<u>1,087</u>	<u>1,087</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,087</u>	<u>\$ 918</u>	<u>\$ 1,057</u>	<u>\$ 139</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (30)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (30)</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, 2011

	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>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</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-LIBRARY GO BONDS-27145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	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	<u>3,004</u>	<u>3,004</u>	<u>0</u>	<u>(3,004)</u>
Other Financing Sources (Uses)				
Transfers	0	0	3,004	3,004
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,004</u>	<u>3,004</u>
Net Change in Cash Balance	3,004	3,004	3,004	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	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				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>8,976</u>	<u>8,976</u>	<u>8,976</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,976</u>	<u>\$ 8,976</u>	<u>\$ 8,976</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-BREAKFAST FOR ELEMENTARY-27155  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,880	\$ 2,880	\$ 2,403	\$ (477)
Total Revenues	<u>2,880</u>	<u>2,880</u>	<u>2,403</u>	<u>(477)</u>
Expenditures				
Instruction				
Other Purchased Services	0	1,604	1,448	156
Total Instruction	<u>0</u>	<u>1,604</u>	<u>1,448</u>	<u>156</u>
Total Expenditures	<u>0</u>	<u>1,604</u>	<u>1,448</u>	<u>156</u>
Excess (Deficiency) of Revenues Over Expenditures	2,880	1,276	955	(321)
Cash Balance Beginning of Year	<u>31</u>	<u>31</u>	<u>31</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 1,307</u>	<u>\$ 986</u>	<u>\$ (321)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 955	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 955</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,106	\$ 2,106	\$ 0	\$ (2,106)
Total Revenues	<u>2,106</u>	<u>2,106</u>	<u>0</u>	<u>(2,106)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,106</u>	<u>2,106</u>	<u>0</u>	<u>(2,106)</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>2,106</u>	<u>2,106</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,106</u>	<u>2,106</u>
Net Change in Cash Balance	2,106	2,106	2,106	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27170  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 9,229	\$ 9,229	\$ 0	\$ (9,229)
Total Revenues	<u>9,229</u>	<u>9,229</u>	<u>0</u>	<u>(9,229)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>9,229</u>	<u>9,229</u>	<u>0</u>	<u>(9,229)</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>9,229</u>	<u>9,229</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>9,229</u>	<u>9,229</u>
Net Change in Cash Balance	9,229	9,229	9,229	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
SPECIAL REVENUE FUND-NM OUTDOOR CLASSROOM-27504  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
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>
<b>Expenditures</b>				
<b>Instruction</b>				
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	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Net Change in Cash Balance	2,000	2,000	2,000	0
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>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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, 2011

	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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 55,000	\$ 55,000	\$ 43,105	\$ (11,895)
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>43,105</u>	<u>(11,895)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	21,276	21,276	15,000	6,276
Employee Benefits	0	0	3,944	(3,944)
Professional & Tech Services	3,300	3,300	0	3,300
Purchased Services	55,000	51,312	34,050	17,262
Supplies	500	500	0	500
Capital Outlay	50,000	50,000	50,000	0
Total Support Service-Students	<u>130,076</u>	<u>126,388</u>	<u>102,994</u>	<u>23,394</u>
Total Expenditures	<u>130,076</u>	<u>126,388</u>	<u>102,994</u>	<u>23,394</u>
Excess (Deficiency) of Revenues Over Expenditures	(75,076)	(71,388)	(59,889)	11,499
Cash Balance Beginning of Year	<u>71,388</u>	<u>71,388</u>	<u>71,388</u>	<u>71,388</u>
Cash Balance End of Year	\$ <u>(3,688)</u>	\$ <u>0</u>	\$ <u>11,499</u>	\$ <u>82,887</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(59,889)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(59,889)</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, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	0	0	(63)	(63)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(63)</u>	<u>(63)</u>
Net Change in Cash Balance	0	0	(63)	(63)
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>\$ 0</u>	<u>\$ (63)</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.

**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, 2011

		Balance 06/30/10	Additions	Deletions	Balance 06/30/11
<b>ASSETS</b>					
23001	General	\$ 362	\$ 1,928	2,088	\$ 202
23002	In/Out	162	1,341	830	673
23003	Gift Fund	363	30	0	393
23004	Class of 2019	45	1,269	851	463
23005	Library	1,239	204	0	1,443
23006	Carnival	459	15	0	474
23007	Student Council	477	915	865	527
23008	Superintendent	8	0	0	8
23009	FHA	141	0	0	141
23010	Principals	110	0	16	94
23011	First Grade	311	34	65	280
23012	Honor Society	339	0	162	177
23013	Cheerleaders	71	210	210	71
23014	Industrial Arts	957	0	0	957
23016	Class of 2018	967	335	570	732
23017	Class of 2020	144	44	33	155
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	170	0	65	105
23023	Yearbook	2,365	218	780	1,803
23024	Arts & Crafts	252	0	0	252
23025	Kindergarten	11	40	0	51
23026	Class of 2015	911	187	65	1,033
23027	Class of 2014	286	81	157	210
23028	Class of 2013	631	44	243	432
23029	Class of 2012	987	2,517	2,766	738
23030	Class of 2011	125	739	540	324
23031	Class of 2010	91	0	65	26
23032	PTO	16	0	0	16
23033	School Museum	63	0	0	63
23034	Accelerated Reader	942	484	958	468
23035	Athletic Boosters	2,320	13,325	14,306	1,339
23036	TNT	2,597	9,000	7,299	4,298
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	50,482	320,932	316,621	54,793
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, 2011

	Balance 06/30/10	Additions	Deletions	Balance 06/30/11
23043 Pre-school	\$ 85	\$ 40	0	\$ 125
23044 PNM Science Grant	46	0	0	46
23045 FFA/AG	249	3,146	2,231	1,164
23046 LA's Best	925	68	0	993
23047 PBS Award	750	0	0	750
23048 Elk Lodge Grant	1,800	0	0	1,800
23049 Summer School	2,101	0	0	2,101
23050 NM 6-Man Football	2,201	3,721	4,782	1,140
23051 Project Celebration	1,009	0	100	909
23052 District 8-A	2,967	3,514	5,783	698
23053 State Rings/Shirts	340	0	0	340
23054 Panther Invitational	1,715	3,182	4,253	644
23055 Legislative Trip	0	1,367	1,182	185
23057 Fees & Fines	470	10	0	480
23058 Class of 2021	47	247	44	250
23059 Regional School Board	65	0	0	65
23060 Dig Pink-Volleyball	251	1,020	588	683
23061 State Game	1,909	0	0	1,909
23062 Class of 2024	0	130	36	94
Total Assets	<u>\$ 89,075</u>	<u>\$ 370,337</u>	<u>\$ 368,554</u>	<u>\$ 90,858</u>
<b>LIABILITIES</b>				
Deposits Held for Others	<u>\$ 89,075</u>	<u>\$ 370,337</u>	<u>\$ 368,554</u>	<u>\$ 90,858</u>
Total Liabilities	<u>\$ 89,075</u>	<u>\$ 370,337</u>	<u>\$ 368,554</u>	<u>\$ 90,858</u>

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

STATE OF NEW MEXICO  
**LAKE ARTHUR MUNICIPAL SCHOOLS**  
Cash Reconciliations - All Funds  
For the Year Ended June 30, 2011

---

		Beginning Cash Balance 6/30/10	Revenue	Expenditures	Adjustments Transfers	Ending Cash Balance 6/30/11
Operational	11000	\$ 66,677	\$ 2,423,021	\$ 2,446,735	\$	\$ 42,963
Teacherege	12000	31,179	17,950	35,144	0	13,985
Transportation	13000	66	137,226	137,219	0	73
Instructional Materials	14000	276	5,985	4,530	0	1,731
Food Services	21000	41,919	89,922	83,900	0	47,941
Athletics	22000	796	9,168	9,939	0	25
Agency Funds	23000	89,075	370,337	368,554	0	90,858
Federal Flowthrough	24000	(73,053)	237,313	214,399	(7,646)	(57,785)
Federal Direct	25000	4,542	74,654	81,933	0	(2,737)
State Flowthrough	27000	(5,756)	26,319	46,028	16,338	(9,127)
Combined Local State	29000	71,388	43,105	102,994	0	11,499
Bond Building	31100	475,812	750,000	583,511	0	642,301
Special Capital Outlay State	31400	63	0	0	(63)	0
Senate Bill Nine	31700	34,962	187,082	121,718	63	100,389
Debt Service	41000	193,764	186,411	173,546	0	206,629
Total		\$ <u>931,710</u>	\$ <u>4,558,493</u>	\$ <u>4,410,150</u>	\$ <u>8,692</u>	\$ <u>1,088,745</u>

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the 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, 2011, and have issued our report thereon dated October 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified three deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting; 10-1, 10-3, 11-1, 11-2, 11-3, 11-4, 11-5, and 11-6. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is describe in the accompanying schedule of findings and responses as item 10-1, 10-3, 11-1, 11-2, 11-3, 11-4, 11-5, and 11-6.

The District's responses to the findings identified in our audit as described in the accompanying schedule of findings and responses. We did not audit the District's 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

October 14, 2011

**Prior Year Audit Findings**

	<u>Status</u>
<b>09-01 Late Audit Report</b>	Resolved
<b>10-1 ERB Reporting on percentages</b>	Repeated
<b>10-2 ERB Reporting on employees under \$20,000</b>	Resolved
<b>10-3 Reporting of insurance premiums</b>	Repeated
<b>10-4 Stale dated transitions</b>	Resolved

**Current Year Audit Findings**

**10-1 ERB Reporting on percentages-Internal Control & Compliance Condition**

Field work revealed that four of the twelve months ERB reports were calculated incorrectly on the form. The district has other pays to employees besides the original contract coded as either over or under 20,000 gross wages, These are coded incorrect based on the true over or under 20,000. This error caused the district to underpay ERB for the year by an estimate of \$505.99

**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."

**Cause**

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

**Effect**

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

**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.

**10-3 Reporting of insurance premiums-Internal Control & Compliance 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 four employees that were incorrect the prior year revealed that one is still incorrect the employee is paying 5% more than the NMPSIA scale. This caused the employee to overpay their portion for the year by an estimate of \$616.68. Also, 1 Month there was an over payment of \$1,331.42 which caused the district to incur an Bill Assessment Penalty of \$500.00.

**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.

**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.

**Effect**

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

**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.

**11-1 Budget-Internal Control & Compliance**

**Condition**

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

**Major Funds**

General Fund-Operational-11000

Support Services-Instruction	(\$1,849)
Central Services	(\$56,664)
Transportation	(\$499)
Other Support Services	(\$8,592)

**Criteria**

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

**Cause**

Property tax collections in June were much larger than expected causing the one percent collection fee to the county to be greater than the budgeted expenditure. It was too late to issue a BAR to increase the budgeted amount.

**Effect**

As a result, the district is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

**Recommendation**

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

**Response**

The District will be watching budgets closely in the future and monitoring for these occurrences in order to make budget adjustments in a timely manner.

**11-2 Payroll procedures-Internal Control & Compliance**

**Condition**

The audit revealed that employees are being paid three weeks in advance of each month for that month's earnings. Also revealed are that employees are receiving payroll advances. As a result, employees are paid for services they have not yet earned.

**Criteria**

The New Mexico Criminal Code makes it a fourth-degree felony for a public official to pay public money for services that have not been rendered. "Paying or receiving public money for services not rendered consists of knowingly making or receiving payment or causing payment to be made from public funds where such payment purports to be for wages, salary or remuneration for personal services [services] which have not in fact been rendered." NMSA 1978, § 30-23-2.

**Cause**

Payroll has been handled in this manner for many years and the District has no record of how or when the first payroll was made with this method. This method has been continued as it would be a hardship on employees to adjust the payment date. Employee advances have been made for several years and employees expect the advances to continue.

**Effect**

Paying wages before earned is a violation of NMSA 1978 30-23-2. If an employee terminates, the District may not recover the unearned wages the employee has received and the employee will have received payment for services they have not rendered.

**Recommendation**

Although this auditor agrees that it would be a hardship to correct the paydays to match the pay periods, statute requires such adjustment to be made. It is a very serious issue to continue in this manner and it could potentially subject District personnel to criminal charges. The School Board should take up this issue immediately and pass an appropriate resolution to correct the pay periods for all District employees. We would also recommend contacting legal counsel to allow the District to fully evaluate the potential exposure to the District and its personnel. It may be possible to delay the implementation of such policy until the summer or the expiration of a majority of employee contracts for the current year, but such action should be carefully discussed with legal counsel.

**Response**

District personnel are reviewing current payroll/pay-date procedures, as well as consulting legal counsel as recommended by the auditor. Additionally, District personnel are reviewing implementation plans for making a change of this magnitude.

**11-3 Expenditure Issues - Internal Control & Compliance****Condition**

Of a sample size of 81 revealed the following:

- Six had PO's issued after the fact.
- Two checks were written before invoices were received or before services rendered.
- Two the PO's were less than the Invoices and checks.

**Criteria**

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

**Cause**

The staff are not following the procurement act. They are sending bills to the central office expecting them to be paid without the purchase requisition or purchase order. Revised purchase orders should be issued when the amount of the purchase is greater than expected. Staff did not get the invoice to central office to complete the bill package before the bill was paid.

**Effect**

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results are over spending.

**Recommendation**

Staff meeting need to be held with training on the procurement process. The Superintendent needs to enforce the process and write up those who violate it. There should be consequences to violations.

**Response**

Trainings will be held with personnel on the procurement act with a reminder summary sheet given to every employee each year. Superintendent will enforce the process through progressive discipline which includes reprimand up to deduction from payroll for expenditures that didn't have the proper documentation. All revised PO's will be included in the audit file.

**11-4 PED Cash Reports - Internal Control & Compliance**

**Condition**

The District's PED Cash Report at year end does not agree with the audited cash balances.

**Criteria**

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

**Cause**

We made adjustment to the various fund cash balances with the approval of the business manager causing the PED cash report to be different than the audit report.

**Effect**

The school is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in poor decision making by the District's governing board.

**Recommendation**

We have no recommendation. The bank accounts reconcile to the general ledger. The only reason the PED report did not agree to the audited cash balance is because of the correction of grant balances from prior years.

**Response**

The District plans to reconcile bank accounts in the future prior to submitting cash reports to PED.

**11-5 Cash Appropriations in Excess of Available Cash Balances - Internal Control & Compliance**

**Condition**

The District maintained a deficit budget in excess of available cash balance in the Title I (24101) of \$(7,048) and the IDEA Preschool (24109) of \$(444).

**Criteria**

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

**Cause**

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.



**Effect**

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

**Recommendation**

Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

**Response**

BARS will be issued to adjust beginning cash to actual and reduce expenditures as necessary.

**11-6 Personnel Files - Internal Control & Compliance****Condition**

During our test of 15 personnel files, we noted the following:

- Four personnel contracts did not total the calculated gross wages for the year. Calculated gross wages were more than contracts for a total of \$38,470.84.
- One personnel file's lacked the necessary background checks.
- Three personnel file's lacked the necessary I-9's.
- Three signed contracts were unable to be located for a total of \$128,442.72.

**Criteria**

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School district shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application.

**Cause**

Management was unaware that the employees had incomplete files or that the contracts did not agree with the amount paid to the employees.

**Effect**

Paying employees a different amount than the contract can cause the employees to be paid more than they should be and costing the District funds that should not be spent. It is unknown if the District paid too much to the employees or if the contracts were incorrect or if there were amended contracts or stipends we were not provided. There is a possibility that an employee hired without a background check could have a criminal past that would in danger students in the District.

**Recommendation**

We recommend the District obtain all required information and retain the necessary documents in the personnel files. The District should make periodic checks to ensure all required information is being maintained and that employees are paid the correct amount.

**Response**

The Business Office will implement procedures that will preclude payroll from being processed prior to applicable documentation being in place and will review contracts compared to payments to employees to be assured employees are paid the correct amount.

**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 October 14, 2011. Those present were Michael Grossman-Superintendent, Dee Dee Dalton-Business Manager, John Jackson-President and De'Aun Willoughby-CPA.