

**STATE OF NEW MEXICO
LOVING MUNICIPAL SCHOOLS**

Audit Report

For the Year Ended June 30, 2009

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
Melrose, New Mexico

STATE OF NEW MEXICO
Loving Municipal Schools

Official Roster
For the year ended June 30, 2009

BOARD OF EDUCATION

Armando Chavez President
Reynaldo Armendarez Vice-President
Olga Onsurez Secretary
Lynn Ballard Member
Francisco Chacon Member

SCHOOL OFFICIALS

David Chavez Superintendent
Mary Cherryhomes Business Manager

STATE OF NEW MEXICO
 Loving Municipal Schools
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor
The Board of Education
Loving Municipal Schools
Loving, New Mexico

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

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

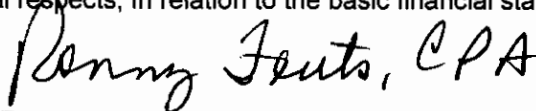
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Loving Municipal Schools, as of June 30, 2009, and the respective changes in financial position and the budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Loving Municipal School's as of June 30, 2009 and the respective changes in financial position, and the respective budgetary comparisons for the nonmajor funds and the debt service and bond building 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 23, 2009, on our consideration of Loving Municipal School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

For the year ended June 30, 2009, Loving Municipal Schools has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements, and budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and 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 presented in all material respects, in relation to the basic financial statements taken as a whole.



Ronny Fouts, CPA
Melrose, New Mexico
October 23, 2009

Basic Financial Statements

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS
 STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 5,051,355
Taxes Receivable	42,080
Due from other Governments	278,734
Inventories	6,430
Non-current	
Bond Issue costs net	124,543
Capital Assets - Net	<u>15,728,675</u>
TOTAL ASSETS	<u><u>\$ 21,231,817</u></u>
LIABILITIES	
Current:	
Accounts Payable	\$ 244,649
Deferred Revenue	44,743
Accrued Interest	138,166
Debt Due Within One Year	<u>430,000</u>
Total Current Liabilities	857,558
Non-current	
Debt Due in More Than One Year	<u>7,243,893</u>
Total Non-current Liabilities	<u>7,243,893</u>
TOTAL LIABILITIES	<u>8,101,451</u>
NET ASSETS	
Invested in capital assets, net of related debt	8,113,675
Restricted for:	
Debt Service	510,653
Capital Projects	3,421,363
Unrestricted	<u>1,084,675</u>
TOTAL NET ASSETS	<u><u>\$ 13,130,366</u></u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS
 STATEMENT OF ACTIVITIES

Year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
					Primary Governmental Activities
Primary Government:					
Governmental activities:					
Instruction	\$ 4,961,811	\$ -	\$ 878,529	\$ -	\$ (4,083,282)
Support Services					
Students	532,368	37,732	-	-	(494,636)
Instruction	343,869	-	-	-	(343,869)
General Administration	312,636	-	-	-	(312,636)
School Administration	417,032	-	-	-	(417,032)
Central Services	167,862	-	-	-	(167,862)
Operation & Maintenance of Plant	1,052,213	-	-	-	(1,052,213)
Student Transportation	142,265	-	-	-	(142,265)
Community Service	3,100	-	-	-	(3,100)
Food service	426,896	3,273	399,598	-	(24,025)
Debt Interest Paid	302,176	-	-	-	(302,176)
Total Governmental Activities	\$ 8,662,228	\$ 41,005	\$ 1,278,127	\$ -	(7,343,096)

General Revenues

Property taxes:

Levied for general purposes	84,569
Levied for debt service	632,873
Levied for capital projects	339,509

State aid not restricted	5,851,940
Unrestricted investment earnings	80,897
Other Local Revenues	230,464
Total general revenues	7,220,252

Change in net assets	(122,844)
Net assets beginning	13,253,210
Net Assets- ending	\$ 13,130,366

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

Fund Financial Statements

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	GENERAL FUND	DEBT SERVICE	DEBT SERVICE ED TECH	BOND BUILDING
ASSETS				
Cash on Deposit	\$ 926,085	\$ 448,184	\$ 174,946	\$2,874,932
Taxes Receivable	3,261	21,816	3,873	-
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	\$ 929,346	\$ 470,000	\$ 178,819	\$2,874,932
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	470,000	178,819	-
Unreserved:				
Undesignated, Reported in				
General Fund	929,346	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	2,874,932
TOTAL FUND BALANCE	929,346	470,000	178,819	2,874,932
TOTAL LIABILITIES AND FUND BALANCE	\$ 929,346	\$ 470,000	\$ 178,819	\$2,874,932

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

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

\$ 627,208	\$ 5,051,355
13,130	42,080
278,734	278,734
6,430	6,430
<u>\$ 925,502</u>	<u>\$ 5,378,599</u>

\$ 244,649	\$ 244,649
44,743	44,743
<u>289,392</u>	<u>289,392</u>

6,430	6,430
-	648,819
-	929,346
83,249	83,249
546,431	3,421,363
<u>636,110</u>	<u>5,089,207</u>
<u>\$ 925,502</u>	<u>\$ 5,378,599</u>

STATE OF NEW MEXICO
LOVING MUNICIPAL SCHOOLS

RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

June 30, 2009

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

Fund Balance - total governmental funds	\$ 5,089,207
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	15,728,675
Bond issue costs are capitalized and amortized over the life of the bonds	124,543
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	-
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds Payable	(7,615,000)
Accrued Interest Payable	(138,166)
Accrued Compensated Absences	<u>(58,893)</u>
Net assets of governmental activities	<u>\$ 13,130,366</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year ended June 30, 2009

	GENERAL FUND	DEBT SERVICE	DEBT SERVICE ED TECH	BOND BUILDING
REVENUE				
Federal Aid	\$ 3,609	\$ -	\$ -	\$ -
State Aid	5,548,178	-	-	-
Property taxes	84,569	490,041	142,832	-
interest	14,408	16,424	675	44,586
Insurance recoveries/refunds	914	-	-	-
Other local sources	19,410	-	-	25,283
TOTAL REVENUES	5,671,088	506,465	143,507	69,869
EXPENDITURES				
Current				
Instruction	3,327,538	-	-	-
Support Services				
Students	380,537	-	-	-
Instruction	298,244	-	-	-
General Administration	279,232	886	162	-
School Administration	417,032	-	-	-
Central Services	149,122	-	-	-
Operation & Maintenance of Plant	644,897	-	-	-
Transportation of students	141,265	-	-	-
Community services	3,100	-	-	-
Food Service	-	-	-	-
Non-current				
Principal Retirement	-	310,000	100,000	-
Bond Interest	-	207,523	13,125	-
Facilities and construction	-	-	-	2,504,208
TOTAL EXPENDITURES	5,640,967	518,409	113,287	2,504,208
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	30,121	(11,944)	30,220	(2,434,339)
OTHER FINANCING SOURCES (USES)				
Sale of Bonds	-	-	-	2,500,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	2,500,000
NET CHANGE IN FUND BALANCES	30,121	(11,944)	30,220	65,661
FUND BALANCE - JUNE 30, 2008	899,225	481,944	148,599	2,809,271
FUND BALANCE - JUNE 30, 2009	\$ 929,346	\$ 470,000	\$ 178,819	\$ 2,874,932

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

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

\$ 1,274,518	\$ 1,278,127
303,762	5,851,940
339,509	1,056,951
4,804	80,897
-	914
225,862	270,555
<u>2,148,455</u>	<u>8,539,384</u>

1,048,875	4,376,413
-----------	-----------

151,831	532,368
45,625	343,869
7,214	287,494
-	417,032
-	149,122
9,412	654,309
1,000	142,265
-	3,100
426,896	426,896

-	410,000
-	220,648
439,220	2,943,428

<u>2,130,073</u>	<u>10,906,944</u>
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18,382	(2,367,560)
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-	2,500,000
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-	2,500,000
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18,382	132,440
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<u>617,728</u>	<u>4,956,767</u>
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<u>\$ 636,110</u>	<u>\$ 5,089,207</u>
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STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE-
 ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds \$ 132,440

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Change in deferred revenue related to property taxes receivable -

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year. 1,909,468

Long Term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Bond proceeds (2,500,000)
 Increase in accrued interest payable (81,528)
 Principal payment on bonds 410,000

Bond Issue costs are expenditures in the funds but are capitalized in the statement of activities.

Bond Issue Costs 50,658
 Amortizations (25,142)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(18,740)

Change in Net Assets \$ (122,844)

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

Major Funds

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - GENERAL FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 717	\$ 717	\$ 3,609	\$ 2,892
State Revenue	5,444,678	5,527,806	5,548,178	20,372
Property taxes	67,130	67,130	88,018	20,888
Local Revenue	4,400	4,400	19,410	15,010
Insurance recoveries/refunds	-	40,000	914	(39,086)
Income from Investments	20,000	20,000	14,408	(5,592)
TOTAL REVENUE	5,536,925	5,660,053	\$ 5,674,537	\$ 14,484
BUDGETED CASH BALANCE	474,951	884,445		
TOTAL REVENUE & CASH	\$ 6,011,876	\$ 6,544,498		

EXPENDITURES				
Current				
Instruction	\$ 3,360,105	\$ 3,494,805	\$ 3,327,538	\$ 167,267
Support Services				
Students	520,862	539,862	380,537	159,325
Instruction	310,423	314,422	298,244	16,178
General Administration	248,560	289,200	279,232	9,968
School Administration	412,897	433,878	417,032	16,846
Central Services	145,826	151,727	149,122	2,605
Operation & Maintenance of Plant	825,529	1,118,123	644,897	473,226
Student Transportation	166,458	141,265	141,265	-
Other Support Services	3,125	3,125	-	3,125
Community Services	18,091	58,091	3,100	54,991
Food Services	-	-	-	-
TOTAL EXPENDITURES	\$ 6,011,876	\$ 6,544,498	\$ 5,640,967	\$ 903,531

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 5,674,537
Differences budget to GAAP	-
Change in deferred taxes	-
Prior Year receivable	(6,710)
Current Year receivable	3,261
Total Revenues (GAAP Basis)	\$ 5,671,088
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 5,640,967
Differences-budget to GAAP	-
Prior Year payable	-
Total Expenditures (GAAP Basis)	\$ 5,640,967

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

STATE OF NEW MEXICO
LOVING MUNICIPAL SCHOOLS

STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2009

<u>ASSETS</u>	Agency Funds
Pooled Cash and Investments	<u>\$ 83,939</u>
<u>LIABILITIES</u>	
Liabilities:	
Deposits held for others	<u>\$ 83,939</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the LOVING MUNICIPAL SCHOOL DISTRICT NO. 21 (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 after November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

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

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

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2009.

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

Financial Reporting Entity

The LOVING MUNICIPAL SCHOOL 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 government 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 organization 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 not other primary governments with which the District has 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 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 specific purposes.

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

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

Fiduciary Fund Type

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

The Student Activity Fund, and 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 organization.

Major Funds

The District reports the following major governmental funds:

GENERAL FUND (11000)

The General Fund consists of three 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 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 textbooks for all students in the District.

CAPITAL PROJECT FUNDS

Bond Building Fund (31100)

To account for revenues from a School Building Bond Issue. The Expenditures are restricted to major capital improvements.

DEBT SERVICE (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.

DEBT SERVICE EDUCATION TECHNOLOGY (4300)

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 on property values.

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 and component units that are fiduciary in nature 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, Statement of Activities, Government-Wide and Fiduciary Fund Type were prepared by using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from Nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

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

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types uses 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 of 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 had 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 uncollectable accounts in the period for which the taxes are levied.

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

Revenue Recognition for Grants

Eligibility requirements for government-mandated and voluntary Nonexchange transactions 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 of 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 underlying events occur.

Basis of Budgeting

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Public Education) the local school board submits to the School Budget 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 the accounting system. Encumbrances shall be used as an element for control and shall be integrated in 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 expenditure or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation 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 used 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 amendment 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 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 loans 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 the 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 contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be known 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 Reclassification 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 consist 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 Districts-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial 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 payment, 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.

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 the GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of the GASB Statement No. 34.

Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

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

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

The District reports deferred revenues in its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has 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.

Compensated Absences

All 12-month or full time employees earn vacation and sick leave in amounts varying with tenure and classification. Employees who have been employed for less than 10 years accrue 12 days of vacation. Employees who have been employed for more than 10 years accrue 15 days per year. Upon retirement, unused vacation leave up to 20 days is paid to employees. No reimbursement or accrual is made for unused sick leave.

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The District's recognition and measurement criteria for compensated absences follow:
 GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees of both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off of some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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 the pledged securities are included in a schedule in the supplemental section of this report.

	Balance Per Bank 06-30-09	Reconciled Balance	Type
Western Commerce Bank			
<u>Name of Account</u>			
General Operational	\$ 1,362,832	\$ 1,034,815	Checking
TOTAL Deposited	<u>1,362,832</u>	<u>\$ 1,034,815</u>	
Less: FDIC Coverage	<u>(1,362,832)</u>		
Uninsured Amount	-		
50% collateral requirement	-		
Pledged securities	<u>2,746,725</u>		
Over (Under) requirement	<u>\$ 2,746,725</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$1,362,832
Collateralized:	
Collateral Held by the pledging bank in District's name	-
Uninsured and uncollateralized	-
Total Deposits	<u>\$1,362,832</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit for custodial credit risk. As of June 30, 2009 none of the District's bank balance of \$1,362,832 was exposed to custodial credit risk.

Interest Rate Risk-New Mexico State Treasurer	<u>Balance Per Bank 06-30-09</u>	<u>Balance Reconciled</u>	<u>Type</u>
<u>Name of Account</u>			
LGIP Pool 4101 (Bond, Operational 20%)	\$ 4,100,479	\$ 4,100,479	Investment
TOTAL Deposited	<u>\$ 4,100,479</u>	<u>\$ 4,100,479</u>	

The investments with the State Treasurer are valued at fair value based on quoted market prices as of valuation date.

State Treasurer's separately issues financial statements which disclose the collateral pledged to secure the State Treasurer cash and investments.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government. The Local Government Investment

Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and

Participation in the local government investment pool is voluntary.

Interest Rate Risk

Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in

portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. The WAM for this investment is 43 days. The investment is rated AAAM.

NOTE C: INTERFUND BALANCES

There were no interfund balances at June 30, 2009

NOTE D: INTERFUND TRANSFERS

There were no Interfund Transfers for the year ending June 30, 2009.

NOTE E: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2009:

	General	Debt Service	Debt Service Ed Tech	Other Governmental Funds
Property Taxes Receivable Available	\$ 3,261	\$ 21,816	\$ 3,873	\$ 13,130
Unavailable	-	-	-	-
TOTAL Property Taxes Receivable	<u>\$ 3,261</u>	<u>\$ 21,816</u>	<u>\$ 3,873</u>	<u>\$ 13,130</u>

The deferred portion of property taxes receivable was not available for this report.

NOTE F: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2009:

State Agencies	\$ 173,249
Federal Agencies	<u>105,485</u>
Total	<u>\$ 278,734</u>

NOTE G: DEFERRED REVENUES

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

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	General	Senate Bill Nine	Debt Service	Other Governmental
Property Taxes	\$ -	\$ -	\$ -	\$ -
Federal Revenues	-	-	-	44,743
TOTAL Deferred Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,743</u>

NOTE H: CAPITAL ASSETS

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

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Total Capital Assets not being Depreciated	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 18,911,526	\$ 2,464,794	\$ -	\$ 21,376,320
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,211,971</u>	<u>30,072</u>	<u>-</u>	<u>1,242,043</u>
Total Capital Assets, being Depreciated	<u>20,123,497</u>	<u>2,494,866</u>	<u>-</u>	<u>22,618,363</u>
Total Capital Assets	<u>\$ 20,133,497</u>	<u>\$ 2,494,866</u>	<u>\$ -</u>	<u>\$ 22,628,363</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 5,504,692	\$ 503,598	\$ -	\$ 6,008,290
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>809,598</u>	<u>81,800</u>	<u>-</u>	<u>891,398</u>
Total Accumulated Depreciation	<u>6,314,290</u>	<u>585,398</u>	<u>-</u>	<u>6,899,688</u>
Capital Assets, net	<u>\$ 13,819,207</u>	<u>\$ 1,909,468</u>	<u>\$ -</u>	<u>\$ 15,728,675</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 585,398
Total depreciation expenses	<u>\$ 585,398</u>

NOTE I: LONG TERM DEBT

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

	6/30/2008	Additions	Reductions	6/30/2009	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 5,525,000	\$ 2,500,000	\$ 410,000	\$ 7,615,000	\$ 430,000
Total Bonds	<u>5,525,000</u>	<u>2,500,000</u>	<u>410,000</u>	<u>7,615,000</u>	<u>430,000</u>
Other Liabilities					
Compensated					
Absences	40,153	58,893	40,153	58,893	-
Total Other	<u>40,153</u>	<u>58,893</u>	<u>40,153</u>	<u>58,893</u>	<u>-</u>
Liabilities					
Long-Term	<u>\$ 5,565,153</u>	<u>\$ 2,558,893</u>	<u>\$ 450,153</u>	<u>\$ 7,673,893</u>	<u>\$ 430,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

The current portion for the compensated absences is being estimated at zero since there are no anticipated retirements or terminations.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making addition 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 come due:

2001	7/15/2001	2,600,000	3.5%-4.75%	\$ 1,815,000
2007	4/1/2007	500,000	3.75%	300,000
2008	1/15/2008	3,000,000	4.00%	3,000,000
2008B	8/1/2008	2,500,000	4.00%	<u>2,500,000</u>
				<u>\$ 7,615,000</u>

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

	Principal	Interest	Total
2010	\$ 430,000	\$ 352,463	\$ 782,463
2011	445,000	286,066	731,066
2012	560,000	263,515	823,515
2013	480,000	239,430	719,430
2014	950,000	207,125	1,157,125
2015-2019	2,950,000	678,000	3,628,000
2020-2024	1,800,000	220,875	2,020,875
	<u>\$ 7,615,000</u>	<u>\$ 2,247,474</u>	<u>\$ 9,862,474</u>

NOTE J: COMMITMENTS

The District has completed the remodel of the Junior High building. It houses a community library, the SNMERC office, storage, gymnasium, a wellness/exercise room, and classrooms. The district also completed re-roofing the High School building and installed refrigerated air in the high school classrooms, hallways and cafeteria kitchen. Plans for 2007-08 include building a maintenance facility to service the district's vehicles and busses. Upon passage of \$5,500,000 general obligation bonds in November 2007 the district plans to build an addition of four classrooms and an addition to the library at the high school, build an athletic field house, re-roof the elementary school, and other projects.

NOTE K: PENSION PLAN

Substantially all of the District's full-time employees participate in a public retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502.

Funding Policy - Plan members are required to contribute 7.825% of their gross salary. Loving Municipal Schools is required to contribute 10.9% of the gross covered salary. Effective July 1, 2009, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Loving Municipal Schools are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Loving Municipal School's contributions to ERB for the fiscal years ending June 30, 2009, 2008 and 2007, were \$759,847, \$690,088 and \$585,502, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE L: RETIREE HEALTH CARE ACT CONTRIBUTIONS

Plan Description - Loving Municipal School contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and

dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and /or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retired on or before July 1, 1995, in which event the time period for contributions becomes the time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

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

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

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

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

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

Loving Municipal School's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$78,774, \$72,608 and \$65,749, respectively, which equal the required contributions for each year.

NOTE N: 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 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

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Liability and Civil Rights and Personal Injury
Contract School Bus Coverage; and
Crime

NOTE O: 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 P: Joint Powers Agreement

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 REC passed-through \$167,625 to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the REC funds were reported as revenues and expenditures in the following revenue funds:

24106	IDEA, Part B, Entitlement
24107	IDEA, Part B, Discretionary
24109	IDEA Pressschool

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

The Loving Municipal School District No. 21 is a member of a joints 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.

The District is a member of the Cooperative Educational Services. The joint powers agreement was entered in to July 1, 1984. The purpose of the agreement is to pool efforts in order to bring additional, necessary educational services to their respectable school districts at an affordable cost. The term of the agreement shall continue until it is rescinded or terminated by a majority vote of the participating School Districts.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

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

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 320,730	\$ 320,730	\$ 499,388	\$ 178,658
Investment Income	7,000	7,000	16,424	9,424
TOTAL REVENUE	327,730	327,730	\$ 515,812	\$ 188,082
BUDGETED CASH BALANCE	440,757	440,757		
TOTAL REVENUE & CASH	\$ 768,487	\$ 768,487		
EXPENDITURES				
Current				
General Administration	\$ 740	\$ 886	\$ 886	\$ -
Debt Service				
Principal Retirement	110,000	310,000	310,000	-
Bond Interest	207,523	207,523	207,523	-
Non-operating Reserves	450,224	250,078	-	250,078
TOTAL EXPENDITURES	\$ 768,487	\$ 768,487	\$ 518,409	\$ 250,078

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 515,812
Differences budget to GAAP	
Prior Year receivable	(31,163)
Change in deferred taxes	-
Current Year receivable	21,816
Total Revenues (GAAP Basis)	\$ 506,465

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 518,409
Differences-budget to GAAP	
Prior year Principal due	-
Prio year interest due	-
Total Expenditures (GAAP Basis)	\$ 518,409

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - DEBT SERVICE FUND ED TECH - 43000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 114,268	\$ 114,268	\$ 154,180	\$ 39,912
Investment Income	200	-	675	675
TOTAL REVENUE	<u>114,468</u>	<u>114,268</u>	<u>\$ 154,855</u>	<u>\$ 40,587</u>
BUDGETED CASH BALANCE	<u>130,139</u>	<u>130,139</u>		
TOTAL REVENUE & CASH	<u>\$ 244,607</u>	<u>\$ 244,407</u>		
EXPENDITURES				
Current				
General Administration	\$ 210	\$ 210	\$ 162	\$ 48
Debt Service				
Principal Retirement	100,000	100,000	100,000	-
Bond Interest	13,125	13,125	13,125	-
Non-operating Reserves	131,272	131,272	-	131,272
TOTAL EXPENDITURES	<u>\$ 244,607</u>	<u>\$ 244,607</u>	<u>\$ 113,287</u>	<u>\$ 131,320</u>

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

Sources/Inflows of Resources		
Actual amounts (budgetary basis)		\$ 154,855
Differences budget to GAAP		
Prior Year receivable		(15,221)
Change in deferred taxes		-
Current Year receivable		3,873
Total Revenues (GAAP Basis)		<u>\$ 143,507</u>
 Uses/Outflows of Resources		
Actual amounts (budgetary basis)		\$ 113,287
Differences-budget to GAAP		
Total Expenditures (GAAP Basis)		<u>\$ 113,287</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - CAPITAL PROJECTS - BOND BUILDING FUND -31100

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Sale of Bonds	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000
Other Local Income	-	-	25,283	25,283
Investment Income	70,000	70,000	44,586	(25,414)
TOTAL REVENUE	70,000	70,000	\$ 2,569,869	\$ 2,499,869
BUDGETED CASH BALANCE	2,945,907	2,945,907		
TOTAL REVENUE & CASH	\$ 3,015,907	\$ 3,015,907		
EXPENDITURES				
Current				
Facilities and construction	\$ 3,015,907	\$ 3,015,907	\$ 2,504,208	\$ 511,699
TOTAL EXPENDITURES	\$ 3,015,907	\$ 3,015,907	\$ 2,504,208	\$ 511,699

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,569,869
Differences budget to GAAP	
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 2,569,869

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,504,208
Differences-budget to GAAP	
Current Year Accounts Payable	-
Total Expenditures (GAAP Basis)	\$ 2,504,208

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET - GENERAL FUNDS

June 30, 2009

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
ASSETS				
Cash on Deposit	\$ 878,474	\$ 1	\$ 47,610	\$ 926,085
Taxes Receivable	3,261	-	-	3,261
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	\$ 881,735	\$ 1	\$ 47,610	\$ 929,346
LIABILITIES AND FUND BALANCE				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service				
Unreserved:				
Designated, Reported in				
General Fund	881,735	1	47,610	929,346
Special Revenue Funds				
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	881,735	1	47,610	929,346
TOTAL LIABILITIES AND FUND BALANCE	\$ 881,735	\$ 1	\$ 47,610	\$ 929,346

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GENERAL FUNDS

Year ended June 30, 2009

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
REVENUE				
Federal Aid	\$ 3,609	\$ -	\$ -	\$ 3,609
State Aid	5,315,945	141,265	90,968	5,548,178
Property taxes	84,569	-	-	84,569
Interest	14,408	-	-	14,408
Insurance recoveries/refunds	914	-	-	914
Other local sources	19,410	-	-	19,410
TOTAL REVENUES	5,438,855	141,265	90,968	5,671,088
EXPENDITURES				
Current				
Instruction	3,278,333	-	49,205	3,327,538
Support Services				
Students	380,537	-	-	380,537
Instruction	296,022	-	2,222	298,244
General Administration	279,232	-	-	279,232
School Administration	417,032	-	-	417,032
Central Services	149,122	-	-	149,122
Operation & Maintenance of Plant	644,897	-	-	644,897
Transportation of students	-	141,265	-	141,265
Other Support Services	-	-	-	-
Community Services	3,100	-	-	3,100
Food Service	-	-	-	-
Non-current				
Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Facilities and construction	-	-	-	-
TOTAL EXPENDITURES	5,448,275	141,265	51,427	5,640,967
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(9,420)	-	39,541	30,121
OTHER FINANCING SOURCES (USES)				
Sale of Bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(9,420)	-	39,541	30,121
FUND BALANCE - JUNE 30, 2008	891,155	1	8,069	899,225
FUND BALANCE - JUNE 30, 2009	\$ 881,735	\$ 1	\$ 47,610	\$ 929,346

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - GENERAL FUND - OPERATIONAL - 11000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 717	\$ 717	\$ 3,609	\$ 2,892
State Revenue	5,225,896	5,334,217	5,315,945	(18,272)
Property Taxes	67,130	67,130	88,018	20,888
Local Revenue	4,400	4,400	19,410	15,010
Contributions, donations	-	40,000	914	(39,086)
Income from Investments	20,000	20,000	14,408	(5,592)
TOTAL REVENUE	5,318,143	5,466,464	\$ 5,442,304	\$ (24,160)
BUDGETED CASH BALANCE	474,951	884,445		
TOTAL REVENUE & CASH	\$ 5,793,094	\$ 6,350,909		

EXPENDITURES

Current

Instruction	\$ 3,310,900	\$ 3,445,600	\$ 3,278,333	\$ 167,267
Support Services				
Students	520,862	539,862	380,537	159,325
Instruction	307,304	311,303	296,022	15,281
General Administration	248,560	289,200	279,232	9,968
School Administration	412,897	433,878	417,032	16,846
Central Services	145,826	151,727	149,122	2,605
Operation & Maintenance of Plant	825,529	1,118,123	644,897	473,226
Student Transportation	-	-	-	-
Other Support Services	3,125	3,125	-	3,125
Community services	18,091	58,091	3,100	54,991
Food Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	\$ 5,793,094	\$ 6,350,909	\$ 5,448,275	\$ 902,634

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 5,442,304
Differences budget to GAAP	
Prior Year receivable	(6,710)
Change in deferred taxes	-
Current Year receivable	3,261
Total Revenues (GAAP Basis)	\$ 5,438,855

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 5,448,275
Differences-budget to GAAP	
Prior year payable	-
Current year payable	-
Total Expenditures (GAAP Basis)	\$ 5,448,275

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - GENERAL FUND - TRANSPORTATION - 13000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 166,458	\$ 141,265	\$ 141,265	\$ -
TOTAL REVENUE	166,458	141,265	141,265	\$ -
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 166,458	\$ 141,265		
EXPENDITURES				
Current				
Student Transportation	\$ 166,458	\$ 141,265	\$ 141,265	\$ -
TOTAL EXPENDITURES	\$ 166,458	\$ 141,265	\$ 141,265	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 141,265
Differences budget to GAAP	
Prior Year checks voided	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 141,265

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 141,265
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 141,265

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - GENERAL FUND - INSTRUCTIONAL MATERIALS - 14000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 52,324	\$ 52,324	\$ 90,968	\$ 38,644
TOTAL REVENUE	<u>52,324</u>	<u>52,324</u>	<u>\$ 90,968</u>	<u>\$ 38,644</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 52,324</u>	<u>\$ 52,324</u>		
EXPENDITURES				
Current				
Instruction	\$ 49,205	\$ 49,205	\$ 49,205	\$ -
Support Services				
Instruction	3,119	3,119	2,222	897
TOTAL EXPENDITURES	<u>\$ 52,324</u>	<u>\$ 52,324</u>	<u>\$ 51,427</u>	<u>\$ 897</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 90,968
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 90,968</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 51,427
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 51,427</u>

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

Non-Major Funds

FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

FOOD SERVICES – to account for financing for school hot lunch program. Funding is provided from fees form patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – this is an auxiliary account to account for budgeted athletics of the school for activities that are considered to be non-instructional. Authority for the creation of this fund is NMAC 6.20.2.

TITLE I– to account for the federal assistance provided to the District for the improvement of educational opportunities to deprived children. (Authority, PL 103-382)

MIGRANT CHILDREN EDUCATION – to assist States to ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title I, Part C, as amended, 20 U.S.C. 6391 et seq.

IDEA B ENTITLEMENT – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B DISCRETIONARY - P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B PRESCHOOL – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec 611, as amended; Public Law 105-17.

21ST CENTURY LEARNING – to account for federal resourices to provide expended learning opportunities for participating children and communi9ty members in a safe and supervised environment before and after school, weekends, and in the summer. (Title X, Part I of the ESEA Act)

WELLNESS PROGRAM - To account for funds received to provide supplementary health services for the students of the district. (Authority of the Grant Program)

ENHANCING EDUCATION THROUGH TECHNOLOGY – to account for the federal assistance provided to the District for the improvement of educational opportunities to deprived children. (Authority, PL 103-382)

TITLE V – to increase the capacity of state and local governments to support the development of more effective prevention programs to improve juvenile justice system through risk and protective factor focused programming approach, The authority for the creation of this fund is the Juvenile Justice and Delinquency Prevention Act of 1974, Section 505, Title V, as amended.

TITLE III – Implement district-wide bilingual education programs or 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 limited English proficiency in local educational agencies with significant concentrations of such children and youth. The program is authorized by Title III, PL 107-116.

TITLE II – to account for a federal grant restricted to the operation and maintenance of the Eisenhower Mathematics and Science Education state grant program to enhance math and science education in public schools. Authority for the creation of this fund is ESEA of 1965, Title II, Part A, Public Law 100-297, as amended; Public Law 101-589, reauthorized by Public Law 103-382.

TITLE IV – to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. Authority for fund creation DFS & C Act of 1986, Title V, Part B; ESEA as amended; Public Laws 99-750, 100-297, 100-690, 101-226 and 101-647, Public Law 103-382.

READING FIRST – to ensure that every student can read at grade level or above by the end of third grade. The Reading First program will provide assistance to State and districts in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

HSTW – – to account for a federal grant directed toward the program expansion of the REC IX Career Education efforts. The fund was created under the authority of the federal grant provisions.

HEADSTART – to account for federal resources administered by the New Mexico Department of Health and Human Services and administered by Las Cruces Public Schools to provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, and to involve parents in activities with their children so that the children will attain overall social competence. (Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title I Sections 101-119)

TITLE XIX MEDICAID – to account for federal resources administered by the New Mexico Department of Health and Human Services for the improvement of primary health care and to increase health education. (PL 105-33)

RURAL EDUCATION ACHIEVEMENT PROGRAM – to provide financial assistance to rural districts to carry out activities to help improve that quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 (ESEA), Title IV, Part B, as amended.

MICROSOFT SETTLEMENT FUNDS - to account fro revenues received from Microsoft for the purpose of expanding and improving the technology program.

BP A+ FOR ENERGY- to promote the study of solar, wind, & petroleum energy. To account for funds received from the Technology for Education Grant created by 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State.

TECHNOLOGY FOR EDUCATION– to account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are

restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan Authority for the creation of this fund is NMSA22-15A-1 to 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENT – to account for funds received from the Incentives for School Improvement Act (Section 22-2C-9, NMSA 1978) that is to provide financial incentive to individual schools that exceed expected academic progress.

BEGINNING TEACHER MENTORING – to account for funds received to enhance and improve skills for beginning teachers. (Authority, State Grant Provision and Loving Municipal Board of Education.)

SCHOOLS IN NEED OF IMPROVEMENT - To account for funds received to provide financial incentive to individual schools that to exceed expected academic progress. (Section 22-2C-9 NMSA, 1978)

K-3 PLUS – to account for funds received to provide supplemental resources to assist students from K through 3rd grades. (Authority by the Grant).

LIBRARY SB301 – funds to be used for the upgrade of library books and equipment. (Authority, NMPED, Laws of 2004).

STATE DIRECTED ACTIVITIES – the purpose of this fund is used to account for a program funded by a state grant to assist the School District in providing free appropriate public education to all handicapped children. Funding authorized by the individuals with Disabilities Education Act. The fund was created by the authority of federal grant provisions.

RURAL REVITALIZATION – To account for the resources obtained to improve the academic program in rural schools. Authority of the PED and State of New Mexico)

NM OUTDOOR CLASSROOM – to account for funds received to provide supplemental PE for students of the district.

LIBRARY BOOK FUND - This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide.

CATCH – to account for revenues received to coordinate child health improvements. The authority for creation of this fund is the State Grant Provisions and Loving Board of Education.

OUTDOOR CLASSROOM INITIATIVE – to provide for funds used to supplement learning environment for students. (Authority of the Grant)

MICROSOFT PIL – The Microsoft Partners in Learning Grant will be used to develop a building trades class at the High School, and build new housing in Loving.

CAPITAL PROJECT FUNDS

SPECIAL CAPITAL OUTLAY STATE – to account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

SB-9 CAPITAL IMPROVEMENTS – to account for the receipt of local proceeds from a mill levy on ad valorem/property taxes and state matching funds. These are to be expended for capital outlay projects and maintenance.

ED TECH EQUIPMENT – to account for monies received from a bond issue to provide technical equipment and support for the district.

PUBLIC SCHOOL CAPITAL OUTLAY 20% - to account for monies to be set aside out of Impact Aid, Forest Revenue, and local taxes for capital improvements in public schools. The authority for the creation of this fund is Section 22-8-5 NMSA 1978.

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
Cash on Deposit	\$ 93,907	\$ 533,301	\$ 627,208
Taxes receivable	-	13,130	13,130
Due from other Governments	256,712	22,022	278,734
Inventories	6,430	-	6,430
TOTAL ASSETS	\$ 357,049	\$ 568,453	\$ 925,502
LIABILITIES			
Accounts Payable	\$ 222,627	\$ 22,022	\$ 244,649
Internal balances	-	-	-
Deferred Revenue	44,743	-	44,743
TOTAL LIABILITIES	267,370	22,022	289,392
FUND BALANCE			
Fund Balance			
Reserved:			
Reserved for inventory	6,430	-	6,430
Unreserved:			
Designated for subsequent year expenditures	83,249	546,431	629,680
TOTAL FUND BALANCE	89,679	546,431	636,110
TOTAL LIABILITIES & FUND BALANCE	\$ 357,049	\$ 568,453	\$ 925,502

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Federal Aid	\$ 1,274,518	\$ -	\$ 1,274,518
State Aid	208,137	95,625	303,762
Property taxes	-	339,509	339,509
Local revenues	222,682	3,180	225,862
Interest	-	4,804	4,804
TOTAL REVENUES	1,705,337	443,118	2,148,455
EXPENDITURES			
Current			
Instruction	1,048,875	-	1,048,875
Support Services			
Students	151,831	-	151,831
Instruction	45,625	-	45,625
General Administration	7,214	-	7,214
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	9,412	-	9,412
Student Transportation	1,000	-	1,000
Food Service	426,896	-	426,896
Facilities and construction	-	439,220	439,220
TOTAL EXPENDITURES	1,690,853	439,220	2,130,073
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,484	3,898	18,382
FUND BALANCE- JUNE 30, 2008	75,195	542,533	617,728
FUND BALANCE - JUNE 30, 2009	\$ 89,679	\$ 546,431	\$ 636,110

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	TITLE I MIGRANT 24103	IDEA-B ENTITLEMENT 24106	IDEA-B DISCRETIONARY 24107	IDEA-B PRESCHOOL 24109
ASSETS							
Cash on Deposit	\$ 33,933	\$ 15,231	\$ -	\$ 964	\$ -	\$ -	\$ -
Due from other Governments	34,085	-	11,866	-	17,929	-	1,227
Inventories	6,430	-	-	-	-	-	-
TOTAL ASSETS	\$ 74,448	\$ 15,231	\$ 11,866	\$ 964	\$ 17,929	\$ -	\$ 1,227
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ 11,866	\$ -	\$ 17,929	\$ -	\$ 1,227
Internal balances	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	964	-	-	-
TOTAL LIABILITIES	-	-	11,866	964	17,929	-	1,227
FUND BALANCE							
Fund Balance							
Reserved:							
Reserved for inventory	6,430	-	-	-	-	-	-
Unreserved:							
Designated for subsequent year expenditures	68,018	15,231	-	-	-	-	-
TOTAL FUND BALANCE	74,448	15,231	-	-	-	-	-
TOTAL LIABILITIES & FUND BALANCE	\$ 74,448	\$ 15,231	\$ 11,866	\$ 964	\$ 17,929	\$ -	\$ 1,227

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

21st CENTURY LEARNING CENTER 24119	WELLNESS PROGRAM 24121	ENHANCING EDUCATION THROUGH TECHNOLOGY 24149	TITLE V 24150	TITLE III 24153	TITLE II 24154	TITLE IV 24157	READING FIRST 24167	HSTW 24172
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,270
9,403	2,999	5,519	-	986	4,039	850	98	-
-	-	-	-	-	-	-	-	-
\$ 9,403	\$ 2,999	\$ 5,519	\$ -	\$ 986	\$ 4,039	\$ 850	\$ 98	\$ 6,270
\$ 9,403	\$ 2,999	\$ 5,519	\$ -	\$ 986	\$ 4,039	\$ 850	\$ 98	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,270
9,403	2,999	5,519	-	986	4,039	850	98	6,270
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 9,403	\$ 2,999	\$ 5,519	\$ -	\$ 986	\$ 4,039	\$ 850	\$ 98	\$ 6,270

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2009

	HSTW 24180	HEADSTART 25127	TITLE XIX MEDICAID 25153	RURAL EDUCATION ACHIEVEMENT 25233	MICROSOFT SETTLEMENT FUNDS 26170	BP A+ FOR ENERGY 26179	TECHNOLOGY FOR EDUCATION 27117
ASSETS							
Cash on Deposit	\$ -	\$ 5,167	\$ 8,149	\$ -	\$ 8,958	\$ -	\$ 8,657
Due from other Governments	2,711	-	-	13,773	-	-	-
Inventories	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,711	\$ 5,167	\$ 8,149	\$ 13,773	\$ 8,958	\$ -	\$ 8,657
LIABILITIES							
Accounts Payable	\$ 2,711	\$ -	\$ -	\$ 13,773	\$ -	\$ -	\$ -
Internal balances	-	-	-	-	-	-	-
Deferred Revenue	-	5,167	8,149	-	8,958	-	8,657
TOTAL LIABILITIES	2,711	5,167	8,149	13,773	8,958	-	8,657
FUND BALANCE							
Fund Balance							
Reserved:							
Reserved for inventory	-	-	-	-	-	-	-
Unreserved:							
Designated for subsequent year expenditures	-	-	-	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-	-	-	-
TOTAL LIABILITIES & FUND BALANCE	\$ 2,711	\$ 5,167	\$ 8,149	\$ 13,773	\$ 8,958	\$ -	\$ 8,657

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

INCENTIVES FOR SCHOOL IMPROVEMENT 27138	BEGINNING TEACHER MENTORING 27154	SCHOOL IN NEED OF IMPROVEMENT 27163	K-3 PLUS 27166	LIBRARY SB301 27170	STATE DIRECTED ACTIVITIES 27200	RURAL REVITAL- IZATION 27503	LIBRARY BOOK FUND 27549	NMSUJ GEAR UP 2912	MICROSOFT PIL 29132	COMBINED
\$ 4,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,885	\$ 445	\$ -	\$ 93,907
-	1,198	35,000	54,509	4,398	-	23,000	-	-	33,122	256,712
-	-	-	-	-	-	-	-	-	-	6,430
\$ 4,248	\$ 1,198	\$ 35,000	\$ 54,509	\$ 4,398	\$ -	\$ 23,000	\$ 1,885	\$ 445	\$ 33,122	\$ 357,049
\$ -	\$ 1,198	\$ 35,000	\$ 54,509	\$ 4,398	\$ -	\$ 23,000	\$ -	\$ -	\$ 33,122	\$ 222,627
-	-	-	-	-	-	-	-	-	-	-
4,248	-	-	-	-	-	-	1,885	445	-	44,743
4,248	1,198	35,000	54,509	4,398	-	23,000	1,885	445	33,122	267,370
-	-	-	-	-	-	-	-	-	-	6,430
-	-	-	-	-	-	-	-	-	-	83,249
-	-	-	-	-	-	-	-	-	-	89,679
\$ 4,248	\$ 1,198	\$ 35,000	\$ 54,509	\$ 4,398	\$ -	\$ 23,000	\$ 1,885	\$ 445	\$ 33,122	\$ 357,049

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2009

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	MIGRANT 24103	IDEA-B ENTITLEMENT 24106
REVENUES					
Federal Aid	\$ 399,598	\$ -	\$ 123,565	\$ -	\$ 106,288
State Aid	30,829	-	-	-	-
Property Taxes	-	-	-	-	-
Local revenues	3,273	37,732	-	-	-
Interest	-	-	-	-	-
TOTAL REVENUES	433,700	37,732	123,565	-	106,288
EXPENDITURES					
Current					
Instruction	-	30,893	121,338	-	86,747
Support Services					
Students	-	-	-	-	19,541
Instruction	-	-	-	-	-
General Administration	-	-	2,227	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Service	426,055	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-
TOTAL EXPENDITURES	426,055	30,893	123,565	-	106,288
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,645	6,839	-	-	-
FUND BALANCE- JUNE 30, 2008	66,803	8,392	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ 74,448	\$ 15,231	\$ -	\$ -	\$ -

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

IDEA-B DISCRETIONARY 24107	IDEA -B PRESCHOOL 24109	21STCENTURY LEARNING CENTER 24119	ENHANCING EDUCATION THROUGH TECHNOLOGY 24149	TITLE V 24150	TITLE III 24153	TITLE II 24154	TITLE IV 24157	READING FIRST 24167	HSTW 24180
\$ -	\$ 5,853	\$ 129,372	\$ 32,053	\$ -	\$ 14,531	\$ 28,435	\$ 962	\$ 95,098	\$ 58,459
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	5,853	129,372	32,053	-	14,531	28,435	962	95,098	58,459
-	5,853	47,214	31,649	-	14,531	27,877	962	95,098	57,270
-	-	79,962	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	2,196	404	-	-	558	-	-	1,189
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	5,853	129,372	32,053	-	14,531	28,435	962	95,098	58,459
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2009

	HEADSTAR1 25127	TITLE XIX MEDICAID 25153	RURAL EDUCATION ACHIEVEMENT 25233	MICROSOFT SETTLEMENT FUND 26170	BP A+ FOR ENERGY 26179	TECHNOLOGY FOR EDUCATION 27117	BEGINNING TEACHER MENTORING 27154	SCHOOL IN NEED OF IMPROVEMENT 27163
REVENUES								
Federal Aid	\$ 169,147	\$ 35,269	\$ 13,773	\$ -	\$ -	\$ -	\$ -	\$ -
State Aid	-	-	-	-	-	2,151	2,735	35,000
Property taxes	-	-	-	-	-	-	-	-
Local revenues	-	-	-	34,949	3,234	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL REVENUES	169,147	35,269	13,773	34,949	3,234	2,151	2,735	35,000
EXPENDITURES								
Current								
Instruction	119,819	18,020	13,542	34,949	3,234	-	2,735	35,000
Support Services								
Students	-	17,249	-	-	-	-	-	-
Instruction	38,075	-	-	-	-	2,151	-	-
General Administration	-	-	231	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	9,412	-	-	-	-	-	-	-
Student Transportation	1,000	-	-	-	-	-	-	-
Food Service	841	-	-	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	169,147	35,269	13,773	34,949	3,234	2,151	2,735	35,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-	-
FUND BALANCE- JUNE 30, 2008	-	-	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

K-3 PLUS 27166	LIBRARY SB301 27170	STATE DIRECTED ACTIVITIES 27200	RURAL REVITAL- IZATION 27503	NM OUTDOOR CLASSROOM 27504	LIBRARY BOOK FUND 27549	CATCH 28140	OUTDOOR CLASSROOM INITIATIVE 28185	MICROSOFT PIL 29132	COMBINED
\$ -	\$ -	\$ 62,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,274,518
107,841	4,399	-	23,000	1,000	-	600	582	-	208,137
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	143,494	222,682
-	-	-	-	-	-	-	-	-	-
107,841	4,399	62,115	23,000	1,000	-	600	582	143,494	1,705,337
107,841	-	27,036	22,591	-	-	600	582	143,494	1,048,875
-	-	35,079	-	-	-	-	-	-	151,831
-	4,399	-	-	1,000	-	-	-	-	45,625
-	-	-	409	-	-	-	-	-	7,214
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	9,412
-	-	-	-	-	-	-	-	-	1,000
-	-	-	-	-	-	-	-	-	426,896
-	-	-	-	-	-	-	-	-	-
107,841	4,399	62,115	23,000	1,000	-	600	582	143,494	1,690,853
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	14,484
-	-	-	-	-	-	-	-	-	75,195
-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,679

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - FOOD SERVICE - 21000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 360,834	\$ 360,834	\$ 369,031	\$ 8,197
State Aid	10,692	42,023	30,829	(11,194)
Local Revenue	5,000	5,000	3,273	(1,727)
Income from Investments	-	-	-	-
TOTAL REVENUE	376,526	407,857	\$ 403,133	\$ (4,724)
BUDGETED CASH BALANCE				
	67,941	67,941		
TOTAL REVENUE & CASH	\$ 444,467	\$ 475,798		
EXPENDITURES				
Current				
Food Service	444,467	475,798	413,635	62,163
TOTAL EXPENDITURES	\$ 444,467	\$ 475,798	\$ 413,635	\$ 62,163

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 403,133
Differences budget to GAAP	
Prior Year receivable	(16,220)
Current Year commodities	12,702
Current Year receivable	34,085
Total Revenues (GAAP Basis)	\$ 433,700

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 413,635
Differences-budget to GAAP	
Prior Year Payables	-
Current Year commodities	12,702
Change in Inventories	(282)
Total Expenditures (GAAP Basis)	\$ 426,055

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - ATHLETICS - 22000

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Fees from activities	\$ 40,000	\$ 40,000	\$ 37,732	\$ (2,268)
Investment income	-	-	-	-
TOTAL REVENUE	<u>40,000</u>	<u>40,000</u>	<u>\$ 37,732</u>	<u>\$ (2,268)</u>
BUDGETED CASH BALANCE	<u>17,620</u>	<u>17,620</u>		
TOTAL REVENUE & CASH	<u>\$ 57,620</u>	<u>\$ 57,620</u>		
EXPENDITURES				
Current				
Instruction	\$ 57,620	\$ 57,620	\$ 30,893	\$ 26,727
TOTAL EXPENDITURES	<u>\$ 57,620</u>	<u>\$ 57,620</u>	<u>\$ 30,893</u>	<u>\$ 26,727</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 37,732
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
Total Revenues (GAAP Basis)	<u>\$ 37,732</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 30,893
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 30,893</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - TITLE I - 24101

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 113,565	\$ 123,565	\$ 139,796	\$ 16,231
TOTAL REVENUE	113,565	123,565	139,796	16,231
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 113,565	\$ 123,565		
EXPENDITURES				
Current				
Instruction	\$ 111,338	\$ 121,338	\$ 121,338	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,227	2,227	2,227	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ 113,565	\$ 123,565	\$ 123,565	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 139,796
Differences budget to GAAP	
Prior Year receivable	(28,097)
Current Year receivable	11,866
Total Revenues (GAAP Basis)	\$ 123,565

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 123,565
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 123,565

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - MIGRANT CHILDREN EDUCATION - 24103

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 4,122	\$ 4,122
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 4,122</u>	<u>\$ 4,122</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 4,122
Differences budget to GAAP	
Prior Year receivable	(3,158)
Current Year Deferral	(964)
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/Outflows of Resources

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

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - IDEA - ENTITLEMENT - 24106

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 106,271	\$ 125,045	\$ 134,037	\$ 8,992
TOTAL REVENUE	106,271	125,045	134,037	8,992
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 106,271	\$ 125,045		
EXPENDITURES				
Current				
Instruction	\$ 106,271	\$ 105,504	\$ 86,747	\$ 18,757
Support Services				
Students	-	19,541	19,541	-
Instruction	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	\$ 106,271	\$ 125,045	\$ 106,288	\$ 18,757

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 134,037
Differences budget to GAAP	
Prior Year receivable	(45,678)
Current Year receivable	17,929
Total Revenues (GAAP Basis)	\$ 106,288

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 106,288
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 106,288

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - IDEA - DISCRETIONARY - 24107

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 3,356	\$ 60,186	\$ 56,830
TOTAL REVENUE	-	3,356	60,186	56,830
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	-	3,356		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,356	\$ -	\$ 3,356
Support Services				
Students	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	-	3,356	-	3,356

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 60,186
Differences budget to GAAP	
Prior Year deferral	(60,186)
Current Year receivable	-
Total Revenues (GAAP Basis)	-

Uses/Outflows of Resources

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

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - IDEA - PRESCHOOL - 24109

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 5,854	\$ 6,886	\$ 5,804	\$ (1,082)
TOTAL REVENUE	5,854	6,886	5,804	(1,082)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 5,854	\$ 6,886		
EXPENDITURES				
Current				
Instruction	\$ 5,854	\$ 6,886	\$ 5,853	\$ 1,033
TOTAL EXPENDITURES	5,854	6,886	5,853	1,033

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 5,804
Differences budget to GAAP	
Prior Year receivable	(1,178)
Current Year receivable	1,227
Total Revenues (GAAP Basis)	\$ 5,853

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 5,853
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 5,853

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - 21ST CENTURY LEARNING CENTER - 24119

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 256,268	\$ 119,969	\$ (136,299)
TOTAL REVENUE	-	256,268	<u>119,969</u>	<u>(136,299)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 256,268</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 169,807	\$ 47,214	\$ 122,593
Support Services				
Students	-	81,979	79,962	2,017
Instruction	-	-	-	-
General Administration	-	4,482	2,196	2,286
School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 256,268</u>	<u>\$ 129,372</u>	<u>\$ 126,896</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 119,969
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	9,403
Total Revenues (GAAP Basis)	<u>\$ 129,372</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 129,372
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 129,372</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - ENHANCING EDUCATION THROUGH TECHNOLOGY - 24149

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 53,140	\$ 27,985	\$ (25,155)
TOTAL REVENUE	-	53,140	27,985	(25,155)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 53,140		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 52,437	\$ 31,649	\$ 20,788
Support Services				
Instruction	-	-	-	-
General Administration	-	703	404	299
TOTAL EXPENDITURES	\$ -	\$ 53,140	\$ 32,053	\$ 21,087

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 27,985
Differences budget to GAAP	
Prior Year receivable	(1,451)
Current Year receivable	5,519
Total Revenues (GAAP Basis)	<u>\$ 32,053</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 32,053
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 32,053</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - TITLE III - 24153

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 10,464	\$ 14,531	\$ 21,498	\$ 6,967
TOTAL REVENUE	10,464	14,531	<u>21,498</u>	<u>6,967</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 10,464</u>	<u>\$ 14,531</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,464	\$ 14,531	\$ 14,531	\$ -
Support Services				
Students	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 10,464</u>	<u>\$ 14,531</u>	<u>\$ 14,531</u>	<u>\$ -</u>

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

Sources/Inflows of Resources		
Actual amounts (budgetary basis)		\$ 21,498
Differences budget to GAAP		
Prior Year receivable		(7,953)
Current Year receivable		986
Total Revenues (GAAP Basis)		<u>\$ 14,531</u>
 Uses/Outflows of Resources		
Actual amounts (budgetary basis)		\$ 14,531
Differences-budget to GAAP		
Total Expenditures (GAAP Basis)		<u>\$ 14,531</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - TITLE II -24154

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 28,435	\$ 28,435	\$ 35,406	\$ 6,971
TOTAL REVENUE	28,435	28,435	35,406	6,971
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 28,435	\$ 28,435		
EXPENDITURES				
Current				
Instruction	\$ 27,877	\$ 27,877	\$ 27,877	\$ -
Support Services				
General Administration	558	558	558	
TOTAL EXPENDITURES	\$ 28,435	\$ 28,435	\$ 28,435	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 35,406
Differences budget to GAAP	
Prior Year receivable	(11,010)
Current Year receivable	4,039
Total Revenues (GAAP Basis)	\$ 28,435

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 28,435
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 28,435

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - TITLE IV - 24157

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 2,214	\$ 2,214	\$ 1,628	\$ (586)
TOTAL REVENUE	2,214	2,214	1,628	(586)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 2,214	\$ 2,214		
EXPENDITURES				
Current				
Instruction	\$ 2,214	\$ 2,214	\$ 962	\$ 1,252
Support Services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	\$ 2,214	\$ 2,214	\$ 962	\$ 1,252

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,628
Differences budget to GAAP	
Prior Year receivable	(1,516)
Current Year receivable	850
Total Revenues (GAAP Basis)	\$ 962

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 962
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 962

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - READING FIRST - 24167

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 95,098	\$ 95,098	\$ 128,143	\$ 33,045
TOTAL REVENUE	<u>95,098</u>	<u>95,098</u>	<u>\$ 128,143</u>	<u>\$ 33,045</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 95,098</u>	<u>\$ 95,098</u>		
EXPENDITURES				
Current				
Instruction	\$ 95,098	\$ 95,098	\$ 95,098	\$ -
Support Services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 95,098</u>	<u>\$ 95,098</u>	<u>\$ 95,098</u>	<u>\$ -</u>

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

Sources/Inflows of Resources		
Actual amounts (budgetary basis)		\$ 128,143
Differences budget to GAAP		
Prior year receivable		(33,143)
Current Year receivable		98
Total Revenues (GAAP Basis)		<u>\$ 95,098</u>
 Uses/Outflows of Resources		
Actual amounts (budgetary basis)		\$ 95,098
Differences-budget to GAAP		
 Total Expenditures (GAAP Basis)		<u>\$ 95,098</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - HSTW -24180

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 18,530	\$ 66,816	\$ 58,268	\$ (8,548)
TOTAL REVENUE	18,530	66,816	58,268	(8,548)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	18,530	66,816		
EXPENDITURES				
Current				
Instruction	\$ 18,530	\$ 65,627	\$ 57,270	\$ 8,357
General Administration	-	1,189	1,189	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	18,530	66,816	58,459	8,357

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 58,268
Differences budget to GAAP	
Prior Year Receivable	(2,520)
Current Year receivable	2,711
Total Revenues (GAAP Basis)	\$ 58,459

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 58,459
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 58,459

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - HEADSTART - 25127

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 169,147	\$ 183,672	\$ 14,525
TOTAL REVENUE	-	169,147	183,672	14,525
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 169,147		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 119,819	\$ 119,819	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	38,075	38,075	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	9,412	9,412	9,412	-
Student Transportation	1,000	1,000	1,000	-
Food Service	841	841	841	-
Facilities Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	\$ 11,253	\$ 169,147	\$ 169,147	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 183,672
Differences budget to GAAP	
Prior Year deferral	-
Prior Year Receivable	(9,358)
Current Year Deferral	(5,167)
Total Revenues (GAAP Basis)	\$ 169,147

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 169,147
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 169,147

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - TITLE XIX MEDICAID 3 1/2 -25153

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 1,503	\$ 40,786	\$ 34,826	\$ (5,960)
TOTAL REVENUE	1,503	40,786	34,826	(5,960)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 1,503	\$ 40,786		
EXPENDITURES				
Current				
Instruction	\$ 1,503	\$ 23,522	\$ 18,020	\$ 5,502
Support Services				
Students	-	17,264	17,249	15
TOTAL EXPENDITURES	\$ 1,503	\$ 40,786	\$ 35,269	\$ 5,517

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 34,826
Differences budget to GAAP	
Prior Year deferral	8,592
Current Year deferral	(8,149)
Total Revenues (GAAP Basis)	<u>\$ 35,269</u>
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 35,269
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 35,269</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - RURAL EDUCATION ACHIEVEMENT - 25233

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 11,243	\$ 36,752	\$ 23,440	\$ (13,312)
TOTAL REVENUE	11,243	36,752	23,440	(13,312)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	11,243	36,752		
EXPENDITURES				
Current				
Instruction	\$ 11,243	\$ 36,293	\$ 13,542	\$ 22,751
Support Services	-	-	-	-
General Administration	-	459	231	228
TOTAL EXPENDITURES	11,243	36,752	13,773	22,979

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 23,440
Differences budget to GAAP	
Prior Year Receivable	(23,440)
Current Year Receivable	13,773
Total Revenues (GAAP Basis)	13,773

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 13,773
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	13,773

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - MICROSOFT SETTLEMENT FUND - 26170

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ -	\$ 43,908	\$ 43,907	\$ (1)
TOTAL REVENUE	-	43,908	43,907	(1)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 43,908		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 43,908	\$ 34,949	\$ 8,959
Support Services - Instruction	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 43,908	\$ 34,949	\$ 8,959

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 43,907
Differences budget to GAAP	
Prior year Receivable	-
Current Year Deferral	(8,958)
Total Revenues (GAAP Basis)	\$ 34,949
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 34,949
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 34,949

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - BP A+ FOR ENERGY - 26179

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ -	\$ 3,234	\$ -	\$ (3,234)
TOTAL REVENUE	-	3,234	-	(3,234)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 3,234		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,234	\$ 3,234	\$ -
Support services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 3,234	\$ 3,234	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	
Prior Year deferral	3,234
Current Year deferral	-
Total Revenues (GAAP Basis)	\$ 3,234

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 3,234
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 3,234

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION - 27117

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ 9,424	\$ 10,211	\$ 787
TOTAL REVENUE	-	9,424	10,211	787
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 9,424		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Instruction	-	9,424	2,151	7,273
TOTAL EXPENDITURES	\$ -	\$ 9,424	\$ 2,151	\$ 7,273

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 10,211
Differences budget to GAAP	
Prior Year deferral	597
Current Year deferral	(8,657)
Total Revenues (GAAP Basis)	\$ 2,151

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,151
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 2,151

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - BEGINNING TEACHER MENTORING - 27154

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ 3,010	\$ 3,009	\$ (1)
TOTAL REVENUE	<u>-</u>	<u>3,010</u>	<u>\$ 3,009</u>	<u>\$ (1)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,010</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 3,010	\$ 2,735	\$ 275
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 3,010</u>	<u>\$ 2,735</u>	<u>\$ 275</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 3,009
Differences budget to GAAP	
Prior Year Receivable	(1,472)
Current Year Receivable	1,198
Total Revenues (GAAP Basis)	<u>\$ 2,735</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,735
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,735</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - SCHOOL IN NEED OF IMPROVEMENT - 27163

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ 35,000	\$ -	\$ (35,000)
TOTAL REVENUE	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ (35,000)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 35,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 35,000	\$ 35,000	\$ -
Supprt Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	
Prior Year deferral	-
Current Year Receivable	35,000
Total Revenues (GAAP Basis)	<u>\$ 35,000</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 35,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 35,000</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - K-3 PLUS - 27166

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ 107,841	\$ -	\$ (107,841)
TOTAL REVENUE	<u>-</u>	<u>107,841</u>	<u>\$ -</u>	<u>\$ (107,841)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 107,841</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 107,841	\$ 107,841	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 107,841</u>	<u>\$ 107,841</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	
Prior Year deferral	53,332
Current Year receivable	54,509
Total Revenues (GAAP Basis)	<u>\$ 107,841</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 107,841
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 107,841</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - LIBRARY SB301 -27170

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ 4,793	\$ -	\$ (4,793)
TOTAL REVENUE	-	4,793	-	(4,793)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 4,793		
EXPENDITURES				
Current				
Support Services				
Instruction	\$ -	\$ 4,793	\$ 4,399	\$ 394
TOTAL EXPENDITURES	\$ -	\$ 4,793	\$ 4,399	\$ 394

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Receivable	4,399
Total Revenues (GAAP Basis)	\$ 4,399

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 4,399
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 4,399

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - STATE DIRECTED ACTIVITIES - 27200

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 62,115	\$ 62,115	\$ -
TOTAL REVENUE	-	62,115	62,115	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 62,115		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 27,036	\$ 27,036	\$ -
Support Services				
Students	-	35,079	35,079	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 62,115	\$ 62,115	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 62,115
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 62,115

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 62,115
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 62,115

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - RURAL REVITALIZATION - 27503

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ 23,000	\$ 23,000	\$ -	\$ (23,000)
TOTAL REVENUE	23,000	23,000	\$ -	\$ (23,000)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 23,000	\$ 23,000		

EXPENDITURES

Current

Instruction	\$ 22,591	\$ 22,591	\$ 22,591	\$ -
Support Services	-	-	-	-
General Administration	409	409	409	-
TOTAL EXPENDITURES	\$ 22,591	\$ 23,000	\$ 23,000	\$ -

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	23,000
Total Revenues (GAAP Basis)	\$ 23,000

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 23,000
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	\$ 23,000

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - NM OUTDOOR CLASSROOM - 27504

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
TOTAL REVENUE	1,000	1,000	<u>1,000</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 1,000</u>	<u>\$ 1,000</u>		
EXPENDITURES				
Current				
Support Services				
Instruction	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
TOTAL EXPENDITURES	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,000
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 1,000</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 1,000
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,000</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - LIBRARY BOOK FUND - 27549

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ -	\$ 1,885	\$ 1,885
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 1,885</u>	<u>\$ 1,885</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Support Services				
Instruction	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,885
Differences budget to GAAP	-
Prior Year Receivable	-
Current Year Deferral	(1,885)
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/Outflows of Resources

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

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - CATCH - 28140

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ 600	\$ 600	\$ -
TOTAL REVENUE	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 600</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 600	\$ 600	\$ -
Support services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 600</u>	<u>600</u>	<u>-</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 600
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 600</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 600
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 600</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - OUTDOOR CLASSROOM INITIATIVE - 28185

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 432	\$ 582	\$ 582	\$ -
TOTAL REVENUE	<u>432</u>	<u>582</u>	<u>\$ 582</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 432</u>	<u>\$ 582</u>		
EXPENDITURES				
Current				
Instruction	\$ 432	\$ 582	\$ 582	\$ -
TOTAL EXPENDITURES	<u>\$ 432</u>	<u>\$ 582</u>	<u>\$ 582</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 582
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 582</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 582
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 582</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - MICROSOFT PIL - 29132

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ -	\$ 201,200	\$ 110,520	\$ (90,680)
TOTAL REVENUE	<u>-</u>	<u>201,200</u>	<u>\$ 110,520</u>	<u>\$ (90,680)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 201,200</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 201,200	\$ 143,494	\$ 57,706
Support Services - Instruction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 201,200</u>	<u>\$ 143,494</u>	<u>\$ 57,706</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 110,520
Differences budget to GAAP	
Prior year Receivable	(148)
Current Year Receivable	33,122
Total Revenues (GAAP Basis)	<u>\$ 143,494</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 143,494
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 143,494</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS

June 30, 2009

	SPECIAL CAPITAL OUTLAY STATE 31400	SB9 CAPITAL IMPROVEMENTS 31700	ED TECH EQUIPMENT 31900	PSCO 20% 32100	COMBINED
ASSETS					
Cash on Deposit	\$ -	\$ 367,656	\$ 164,896	\$ 749	\$ 533,301
Taxes receivable	-	13,130	-	-	13,130
Due from other Governments	22,022	-	-	-	22,022
Inventories	-	-	-	-	-
TOTAL ASSETS	\$ 22,022	\$ 380,786	\$ 164,896	\$ 749	\$ 568,453
LIABILITIES					
Accounts Payable	\$ 22,022	\$ -	\$ -	\$ -	\$ 22,022
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	22,022	-	-	-	22,022
FUND BALANCE					
Fund Balance					
Reserved:					
Reserved for inventory		-			-
Unreserved:					
Designated for subsequent year expenditures	-	380,786	164,896	749	546,431
TOTAL FUND BALANCE	-	380,786	164,896	749	546,431
TOTAL LIABILITIES & FUND BALANCE	\$ 22,022	\$ 380,786	\$ 164,896	\$ 749	\$ 568,453

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS

Year Ended June 30, 2009

	SPECIAL CAPITAL OUTLAY LOCAL 31300	SPECIAL CAPITAL OUTLAY STATE 31400	SB9 CAPITAL APROVEMENT 31700	ED TECH EQUIPMENT 31900	ED PSCO 20% 32100	COMBINED
REVENUES						
Federal Aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Aid		58,535	31,252	5,838	-	95,625
Property Taxes			339,509	-	-	339,509
Local revenues	2,560	-	620	-	-	3,180
Interest	-	-	2,221	2,583	-	4,804
TOTAL REVENUES	2,560	58,535	373,602	8,421	-	443,118
EXPENDITURES						
Current						
Instruction	-	-	-	-	-	-
Support Services						
Students	-	-	-	-	-	-
Instruction	-	-	-	-	-	-
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Facilities and construction	2,560	58,535	278,304	99,821	-	439,220
TOTAL EXPENDITURES	2,560	58,535	278,304	99,821	-	439,220
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	-	-	95,298	(91,400)	-	3,898
FUND BALANCE- JUNE 30, 2008	-	-	285,488	256,296	749	542,533
FUND BALANCE - JUNE 30, 2009	\$ -	\$ -	\$ 380,786	\$ 164,896	\$ 749	\$ 546,431

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - CAPITAL PROJECTS - SPECIAL CAPITAL OUTLAY LOCAL - 31300

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue				
Local Revenue	\$ 2,560	\$ 2,560	\$ 2,560	\$ -
Investment Income	-	-	-	-
TOTAL REVENUE	<u>2,560</u>	<u>2,560</u>	<u>\$ 2,560</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 2,560</u>	<u>\$ 2,560</u>		
EXPENDITURES				
Current				
Facilities and construction	\$ 2,560	\$ 2,560	\$ 2,560	\$ -
TOTAL EXPENDITURES	<u>\$ 2,560</u>	<u>\$ 2,560</u>	<u>\$ 2,560</u>	<u>\$ -</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,560
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 2,560</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,560
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 2,560</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - CAPITAL PROJECTS - SPECIAL CAPITAL OUTLAY STATE - 31400

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue				
State Aid	\$ 146,000	\$ 146,000	\$ 234,513	\$ 88,513
Investment Income	-	-	-	-
TOTAL REVENUE	<u>146,000</u>	<u>146,000</u>	<u>\$ 234,513</u>	<u>\$ 88,513</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 146,000</u>	<u>\$ 146,000</u>		
EXPENDITURES				
Current				
Facilities and construction	\$ 146,000	\$ 146,000	\$ 58,535	\$ 87,465
TOTAL EXPENDITURES	<u>\$ 146,000</u>	<u>\$ 146,000</u>	<u>\$ 58,535</u>	<u>\$ 87,465</u>

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 234,513
Differences budget to GAAP	
Prior Year receivable	(198,000)
Current Year receivable	22,022
Total Revenues (GAAP Basis)	<u>\$ 58,535</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 58,535
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 58,535</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - CAPITAL PROJECTS - SB-9 CAPITAL IMPROVEMENTS FUND -31700

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 270,431	\$ 270,431	\$ 353,304	\$ 82,873
Insurance recoveries	-	-	620	
Investment Income	7,000	7,000	2,221	(4,779)
TOTAL LOCAL REVENUE	277,431	277,431	356,145	78,094
State Revenue				
State flowthrough	-	16,020	31,252	15,232
TOTAL FEDERAL REVENUE	-	16,020	31,252	15,232
TOTAL REVENUE	277,431	293,451	\$ 387,397	\$ 93,326
BUDGETED CASH BALANCE	147,652	147,652		
TOTAL REVENUE & CASH	\$ 425,083	\$ 441,103		
EXPENDITURES				
Current				
Facilities and construction	425,083	441,103	278,304	162,799
TOTAL EXPENDITURES	\$ 425,083	\$ 441,103	\$ 278,304	\$ 162,799

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

Sources/Inflows of Resources	
Actual amounts (budgetary basis)	\$ 387,397
Differences budget to GAAP	
Prior Year receivable	(26,925)
Change in deferred taxes	-
Current Year receivable	13,130
Total Revenues (GAAP Basis)	<u>\$ 373,602</u>
Uses/Outflows of Resources	
Actual amounts (budgetary basis)	\$ 278,304
Differences-budget to GAAP	
Prior year accounts payable	-
Total Expenditures (GAAP Basis)	<u>\$ 278,304</u>

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - SPECIAL REVENUE FUND - ED TECH EQUIP - 31900

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Investment Income	\$ 7,000	\$ 7,000	\$ 2,583	\$ 4,417
State Revenue	-	-	5,838	5,838
TOTAL REVENUE	7,000	7,000	\$ 8,421	\$ 10,255
BUDGETED CASH BALANCE	226,023	328,571		
TOTAL REVENUE & CASH	\$ 233,023	\$ 335,571		
EXPENDITURES				
Current				
Facilities Acquisition & Construction	233,023	233,023	99,821	133,202
TOTAL EXPENDITURES	\$ 233,023	\$ 233,023	\$ 99,821	\$ 133,202

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

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 8,421
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 8,421

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 99,821
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 99,821

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

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
 AND ACTUAL - CAPITAL PROJECTS - PSCO 20% - 32100

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>749</u>	<u>749</u>		
TOTAL REVENUE & CASH	<u>\$ 749</u>	<u>\$ 749</u>		
EXPENDITURES				
Current				
Facilities and construction	\$ 749	\$ 749	\$ -	\$ 749
TOTAL EXPENDITURES	<u>\$ 749</u>	<u>\$ 749</u>	<u>\$ -</u>	<u>\$ 749</u>

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

Sources/Inflows of Resources

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

Uses/Outflows of Resources

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

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

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS

FIDUCIARY FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
 For the year ended June 30, 2009

	<u>Balance June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2009</u>
<u>ASSETS</u>				
High School	\$ 54,345	\$ 92,150	\$ 80,982	\$ 65,513
Middle School	5,360	13,739	14,204	4,895
Elementary School	<u>14,324</u>	<u>28,735</u>	<u>29,528</u>	<u>13,531</u>
Pooled Cash and Investments	<u>\$ 74,029</u>	<u>\$ 134,624</u>	<u>\$ 124,714</u>	<u>\$ 83,939</u>
<u>LIABILITIES</u>				
Deposits held for others	<u>\$ 74,029</u>	<u>\$ 134,624</u>	<u>\$ 124,714</u>	<u>\$ 83,939</u>

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS
 SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2009

	<u>Western Commerce Bank</u>
Cash on Deposit at June 30, 2009	\$ 1,362,832
Less FIDC Coverage	<u>1,362,832</u>
Uninsured Funds	-
50% Collateral Requirement	<u>-</u>
Amount Requiring Pledged Collateral	-
Pledged Collateral	<u>2,504,081</u>
Excess of Pledged Collateral	<u>\$ 2,504,081</u>

Pledged collateral of financial institutions consists of the following at June 30, 2009

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Amount</u>
Western Bank			
FHLMC POOL # 390054	5/1/2018	31346VBX6	1,861
FHLMC POOL # 420109B	2/1/2019	31346ADN2	25,839
FHLMC POOL #780771	8/1/1933	31342A2C2	105,421
FNMA POOL # 796077	9/15/2015	31393MTT8	2,152,105
GNMA #8116	4/20/2016	36202KAR6	31,972
GNMA #8994	6/20/2022	36202K7F6	39,675
GNMA #2564	3/20/2028	36202CZ55	47,999
GNMA #412570	3/15/2026	36206JJPO	<u>99,209</u>
Total Western Bank			<u>\$ 2,504,081</u>

Pledged Securities are held by the Federal Home Loan Bank of Dallas in Dallas, TX.
 Safekeeping receipts are held by the authority.

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS
 CASH RECONCILIATION
 June 30, 2009

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>
Loving Municipal Schools			
Operational Account	\$ 884,445	\$ 5,442,303	\$ (5,448,274)
Transportation	1	141,265	(141,265)
Instructional Materials	8,069	90,968	(51,427)
Food Services	44,435	403,133	(413,635)
Athletics	8,392	37,732	(30,893)
Federal Flowthrough	(192,831)	737,055	(594,617)
Federal Direct	(24,206)	241,938	(218,189)
Local Grants Fund	3,234	43,907	(38,183)
State Flowthrough	57,674	78,220	(239,211)
State Direct Fund	-	1,182	(1,182)
Local/State	299	110,520	(143,494)
Bond Building	2,809,271	2,569,869	(2,504,208)
Special Capital Outlay - Local	-	2,560	(2,560)
Special Capital Outlay - State	(198,000)	259,796	(83,818)
Capital Improvement SB-9	258,563	387,397	(278,304)
ED Tech Equipment	256,296	8,421	(99,821)
20% Capital Outlay	749	-	-
Debt Service	450,781	515,812	(518,409)
Debt Service Ed Tech	133,378	154,855	(113,287)
Student Activities	74,029	134,624	(124,714)
	<u>\$ 4,574,579</u>	<u>\$ 11,361,557</u>	<u>\$ (11,045,491)</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Loving Municipal Schools			
Operational	Checking	Western Comm	\$ 1,362,832
Investments	CD	NM State Treas	4,100,479
Total Loving Municipal Schools			<u>\$ 5,463,311</u>

Total Bank Balances	\$ 5,463,311
Reclassifications to Accounts Payable	244,649
Reconciling Items	<u>(572,666)</u>
Report Balance	<u>\$ 5,135,294</u>

Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
\$ -	\$ 878,474	\$ -	\$ 878,474
-	1	-	1
-	47,610	-	47,610
-	33,933	-	33,933
-	15,231	-	15,231
-	(50,393)	57,627	7,234
-	(457)	13,773	13,316
-	8,958	-	8,958
-	(103,317)	118,105	14,788
-	-	-	-
-	(32,675)	33,122	447
-	2,874,932	-	2,874,932
-	-	-	-
-	(22,022)	22,022	-
-	367,656	-	367,656
-	164,896	-	164,896
-	749	-	749
-	448,184	-	448,184
-	174,946	-	174,946
-	83,939	-	83,939
<u>\$ -</u>	<u>\$ 4,890,645</u>	<u>\$ 244,649</u>	<u>\$ 5,135,294</u>

STATE OF NEW MEXICO
 LOVING MUNICIPAL SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition - Cluster:</u>			
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Public Education Department USDA National School Lunch Program *	10.555	21000	<u>\$ 386,896</u>
Pass-Through Program From:			
New Mexico Human Service Department: USDA Commodities Program	10.550	21000	<u>12,702</u>
Total U.S. Department of Agriculture *			<u>399,598</u>
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Public Education Department			
Title I	84.010	24101	123,565
IDEA-B Entitlement	84.027	24106	106,288
IDEA-B Preschool	84.173	24109	5,853
21st Century Learning Center	84.048	24119	129,372
Enhanced Education Through Technology	84.318	24149	32,053
Title III ELA	84.365	24153	14,531
Title II	84.367	24154	28,435
Safe & Drug free Schools	84.186	24157	962
Reading First	84.357	24167	95,098
C Perkins HSTW	84.048	24180	58,459
Headstart	93.600	25127	169,147
Title XIX Medicaid	93.778	25153	35,269
Rural Education Achievement Program	84.358	25233	13,773
State Directed Activities		27200	62,115
Total Pass Through Grants			<u>874,920</u>
Total Federal Awards Expenditures			<u>\$ 1,274,518</u>

Note 1 - This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 - Non-Monetary assistance is reported in the schedule at the fair market value of the commodities received.

* Part of a cluster

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Hector Balderas, State Auditor
The Board of Education
Loving Municipal School and
Loving, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the general fund budgetary comparison, and the aggregate remaining fund information, and the combining and individual funds and all the budgetary comparisons presented as supplemental information of the Loving Municipal Schools as of and for the year ended June 30, 2009, and have issued our report thereon dated October 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

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

identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 management, others within the District, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Ronny Fouts, CPA
Melrose, New Mexico
October 23, 2009

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

Hector Balderas, State Auditor
The Board of Education
Loving Municipal School
Loving, New Mexico

Compliance

We have audited the compliance of Loving Municipal School, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Loving Municipal School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Loving Municipal School's management. Our responsibility is to express an opinion on Loving Municipal School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Loving Municipal School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Loving Municipal School's compliance with those requirements.

In our opinion, Loving Municipal School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Loving Municipal School is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered

Loving Municipal School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Loving Municipal School's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Board of Education, Management, the Office of the New Mexico State Auditor, New Mexico Public Education Department and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive style.

Ronny Fouts, CPA
Melrose, New Mexico
October 23, 2009

STATE OF NEW MEXICO
LOVING MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	None
Material Weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Program	National School Lunch CFDA#10.555
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified

II. FEDERAL PROGRAM FINDINGS:

None

III. FINANCIAL STATEMENT FINDINGS:

III. SUMMARY OF PRIOR AUDIT FINDINGS:

None

None

IV. CURRENT FINDINGS:

None

STATE OF NEW MEXICO
Loving Municipal Schools

Exit Conference
For the Year Ended June 30, 2009

The financial statements were prepared by Ronny Fouts, CPA with substantial assistance from District Personnel. I have determined that an audit finding is not required.

EXIT CONFERENCE

The contents of this report were discussed with David Chavez, Superintendent, Mary Cherryhomes, Business Manager, Olga Onsurez, Board Secretary, and Ronny Fouts, CPA on October 23, 2009.



Ronny Fouts, CPA
Melrose, New Mexico
October 23, 2009