

**STATE OF NEW MEXICO  
LOVING MUNICIPAL SCHOOLS**

*Audit Report*

For the Year Ended June 30, 2010

**RONNY FOUTS**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Melrose, New Mexico

STATE OF NEW MEXICO  
Loving Municipal Schools

**Official Roster**  
For the year ended June 30, 2010

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Kris Baca .....Superintendent  
Mary Cherryhomes..... Business Manager

STATE OF NEW MEXICO  
 Loving Municipal Schools  
**Table of Contents**  
 June 30, 2010

	Page
<b>INTRODUCTORY SECTION</b>	
Official Roster.....	i
Table of Contents.....	ii-iv
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1-2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	3
Statement of Activities .....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5-6
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	8-9
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	10
 Major Funds:	
Statement of Assets and Liabilities – Agency Funds .....	11
Notes to Financial Statements .....	12-27
 <b>SUPPLEMENTAL INFORMATION:</b>	
Statement of Revenues and Expenditures – Budget (Non-GAAP) and Actual	
Debt Service Fund .....	28
Debt Service Fund Ed Tech.....	29
Bond Building Fund.....	30
Combining Balance Sheet-General Funds .....	31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance-General Funds .....	32
 Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual-General Fund	
Operational.....	33
Transportation .....	34
Instruction Materials .....	35
 Non-major Governmental Funds:	
Combining Balance Sheet.....	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance .....	37.
 Non-major Special Revenue Funds:	
Combining Balance Sheet .....	38-41
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	42-45

Statement of Revenue and Expenditures - Budget (Non-GAAP) and

Actual:	
Food Services .....	46
Athletics .....	47
Title I .....	48
IDEA Entitlement.....	49
IDEA Preschool .....	50
21 <sup>st</sup> Century Learning .....	51
IDEA Reallocation.....	52
Enhancing Education Through Technology.....	53
Title V Innovative Ed .....	54
Title III .....	55
Title II .....	56
Title IV .....	57
Title I School Improvements .....	58
Reading First.....	59
HSTW .....	60
HSTW Redistribution .....	61
Title I Federal Stimulus .....	62
IDEA Entitlement ARRA .....	63
IDEA Preschool ARRA .....	64
Education of Homeless Federal Stimulus.....	65
Headstart .....	66
Title XIX Medicaid.....	67
Rural Education Achievement.....	68
SEG Federal Stimulus .....	69
Headstart Federal Stimulus .....	70
Microsoft Settlement Fund .....	71
Dual Credit Instructional Materials .....	72
GO Bonds Student Library Fund.....	73
Technology for Education .....	74
Beginning Teacher Mentoring .....	75
School Improvement Framework .....	76
School in Need of Improvement.....	77
K-3 Plus.....	78
Library SB301 .....	79
State Directed Activities .....	80
Library Book Fund.....	81
Microsoft PIL .....	82
Non-major Capital Projects Funds:	
Combining Balance Sheet .....	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	84

Statement of Revenue and Expenditures - Budget (Non-GAAP) and

Actual:

Special Capital Outlay - Local.....	85
Special Capital Outlay - State.....	86
SB-9 Capital Improvements Fund.....	87
Ed Tech Equip .....	88

OTHER SUPPLEMENTAL INFORMATION:

Fiduciary Funds:

Schedule of Changes in Assets and Liabilities .....	89
Schedule of Pledged Collateral.....	90
Cash Reconciliation .....	91
Schedule of Expenditures of Federal Awards .....	92
Independent Auditor's 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 .....	93-94
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	95-96
Schedule of Findings and Questioned Costs.....	97
Exit Conference.....	98

**RONNY FOUTS**  
**CERTIFIED PUBLIC ACCOUNTANT**  
P.O. Box 425  
Melrose, NM 88124  
  
(575) 253-4554  
Fax: (575) 253-4727

---

**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, 2010, 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, 2010, 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.

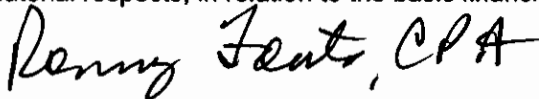
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Loving Municipal Schools, as of June 30, 2010, and the respective 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, 2010 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 22, 2010, 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, 2010, 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 22, 2010

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS  
 STATEMENT OF NET ASSETS

June 30, 2010

<b>ASSETS</b>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 2,706,470
Taxes Receivable	57,201
Due from other Governments	255,283
Inventories	23,085
Non-current	
Bond Issue costs net	97,593
Capital Assets - Net	<u>17,263,639</u>
TOTAL ASSETS	<u>\$ 20,403,271</u>
 <b>LIABILITIES</b>	
Current:	
Accounts Payable	\$ -
Accrued Interest	85,615
Debt Due Within One Year	<u>445,000</u>
Total Current Liabilities	530,615
Non-current	
Debt Due in More Than One Year	<u>6,777,694</u>
Total Non-current Liabilities	<u>6,777,694</u>
TOTAL LIABILITIES	<u>7,308,309</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	10,078,639
Restricted for:	
Debt Service	320,645
Capital Projects	1,537,817
Unrestricted	<u>1,157,861</u>
TOTAL NET ASSETS	<u>\$ 13,094,962</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, 2010

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Primary Government:					
Governmental activities:					
Instruction	\$ 4,371,473	\$ -	\$ 1,562,741	\$ -	\$ (2,808,732)
Support Services					
Students	550,334	40,537	-	-	(509,797)
Instruction	369,478	-	-	-	(369,478)
General Administration	316,666	-	-	-	(316,666)
School Administration	412,695	-	-	-	(412,695)
Central Services	106,861	-	-	-	(106,861)
Operation & Maintenance of Plant	1,674,854	-	-	-	(1,674,854)
Student Transportation	158,638	-	-	-	(158,638)
Community Service	6,953	-	-	-	(6,953)
Food service	419,760	4,658	497,782	-	82,680
Debt Interest Paid	299,913	-	-	-	(299,913)
<b>Total Governmental Activities</b>	<b>\$ 8,687,625</b>	<b>\$ 45,195</b>	<b>\$ 2,060,523</b>	<b>\$ -</b>	<b>(6,581,907)</b>

General Revenues	
Property taxes:	
Levied for general purposes	69,190
Levied for debt service	540,768
Levied for capital projects	278,185
State aid not restricted	5,409,394
Unrestricted investment earnings	7,167
Other Local Revenues	241,799
<b>Total general revenues</b>	<b>6,546,503</b>

Change in net assets (35,404)

Net assets beginning 13,130,366

Net Assets- ending \$ 13,094,962

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

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

	GENERAL FUND	DEBT SERVICE	DEBT SERVICE ED TECH	BOND BUILDING
<b>ASSETS</b>				
Cash on Deposit	\$ 597,325	\$ 239,199	\$ 132,300	\$1,153,729
Taxes Receivable	4,461	32,181	2,580	-
Due from other Funds	255,283	-	-	-
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 857,069</b>	<b>\$ 271,380</b>	<b>\$ 134,880</b>	<b>\$1,153,729</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	271,380	134,880	-
Unreserved:				
Undesignated, Reported in				
General Fund	857,069	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	1,153,729
<b>TOTAL FUND BALANCE</b>	<b>857,069</b>	<b>271,380</b>	<b>134,880</b>	<b>1,153,729</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 857,069</b>	<b>\$ 271,380</b>	<b>\$ 134,880</b>	<b>\$1,153,729</b>

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

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

\$ 583,917	\$ 2,706,470
17,979	57,201
-	255,283
255,283	255,283
23,085	23,085
<u>\$ 880,264</u>	<u>\$ 3,297,322</u>

\$ -	\$ -
255,283	
78,080	78,080
<u>333,363</u>	<u>78,080</u>

23,085	23,085
-	406,260

-	857,069
139,728	139,728
384,088	1,537,817
<u>546,901</u>	<u>2,963,959</u>
<u>\$ 880,264</u>	<u>\$ 3,042,039</u>

STATE OF NEW MEXICO  
LOVING MUNICIPAL SCHOOLS

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

June 30, 2010

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

Fund Balance - total governmental funds	\$ 2,963,959
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	17,263,639
Bond issue costs are capitalized and amortized over the life of the bonds	97,593
Deferred revenue 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	78,080
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds Payable	(7,185,000)
Accrued Interest Payable	(85,615)
Accrued Compensated Absences	<u>(37,694)</u>
Net assets of governmental activities	<u>\$ 13,094,962</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, 2010

	GENERAL FUND	DEBT SERVICE	DEBT SERVICE ED TECH	BOND BUILDING
<b>REVENUE</b>				
Federal Aid	\$ 9,523	\$ -	\$ -	\$ -
State Aid	5,204,836	-	-	-
Property taxes	69,190	475,410	65,358	-
interest	2,858	135	169	3,450
Insurance recoveries/refunds	128	-	-	-
Other local sources	26,904	-	-	-
<b>TOTAL REVENUES</b>	<b>5,313,439</b>	<b>475,545</b>	<b>65,527</b>	<b>3,450</b>
<b>EXPENDITURES</b>				
Current				
Instruction	3,047,546	-	-	-
Support Services				
Students	295,294	-	-	-
Instruction	240,679	-	-	-
General Administration	276,090	1,076	91	-
School Administration	403,417	-	-	-
Central Services	126,760	-	-	-
Operation & Maintenance of Plant	838,879	-	-	-
Transportation of students	150,098	-	-	-
Community services	6,953	-	-	-
Food Service	-	-	-	-
Non-current				
Principal Retirement	-	330,000	100,000	-
Bond Interest	-	343,089	9,375	-
Facilities and construction	-	-	-	1,724,653
<b>TOTAL EXPENDITURES</b>	<b>5,385,716</b>	<b>674,165</b>	<b>109,466</b>	<b>1,724,653</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(72,277)</b>	<b>(198,620)</b>	<b>(43,939)</b>	<b>(1,721,203)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Bonds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(72,277)</b>	<b>(198,620)</b>	<b>(43,939)</b>	<b>(1,721,203)</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>929,346</b>	<b>470,000</b>	<b>178,819</b>	<b>2,874,932</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ 857,069</b>	<b>\$ 271,380</b>	<b>\$ 134,880</b>	<b>\$ 1,153,729</b>

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

OTHER GOVERNMENTAL FUNDS		TOTAL GOVERNMENTAL FUNDS	
\$	1,972,920	\$	1,982,443
	204,558		5,409,394
	278,185		888,143
	555		7,167
	-		128
	259,960		286,864
	<u>2,716,178</u>		<u>8,574,139</u>
	1,228,552		4,276,098
	255,040		550,334
	128,797		369,476
	12,459		289,716
	9,278		412,695
	1,300		128,060
	30,505		869,384
	8,540		158,638
	-		6,953
	419,760		419,760
	-		430,000
	-		352,464
	711,156		2,435,809
	<u>2,805,387</u>		<u>10,699,387</u>
	(89,209)		(2,125,248)
	-		-
	(89,209)		(2,125,248)
	636,110		5,089,207
\$	<u>546,901</u>	\$	<u>2,963,959</u>

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, 2010

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

Net change in fund balance - total governmental funds \$ (2,125,248)

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 special revenue funds 78,080

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. 1,534,964

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.

Decrease in accrued interest payable 52,551  
 Principal payment on bonds 430,000

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

Bond Issue Costs -  
 Amortizations (26,950)

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. 21,199

Change in Net Assets \$ (35,404)

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 - 11000

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 3,249	\$ 3,249	\$ 9,523	\$ 6,274
State Revenue	5,270,440	5,297,878	5,204,836	(93,042)
Property Taxes	77,298	77,298	67,990	(9,308)
Local Revenue	4,400	4,400	26,904	22,504
Contributions, donations	-	-	128	128
Income from Investments	12,000	12,000	2,858	(9,142)
<b>TOTAL REVENUE</b>	<b>5,367,387</b>	<b>5,394,825</b>	<b>\$ 5,312,239</b>	<b>\$ (82,586)</b>
<b>BUDGETED CASH BALANCE</b>	<b>451,779</b>	<b>883,669</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 5,819,166</b>	<b>\$ 6,278,494</b>		

**EXPENDITURES**

Current

Instruction	\$ 3,100,910	\$ 3,253,467	\$ 3,047,546	\$ 205,921
Support Services				
Students	345,367	345,367	295,294	50,073
Instruction	244,651	244,651	240,679	3,972
General Administration	351,920	289,920	276,090	13,830
School Administration	421,406	421,406	403,417	17,989
Central Services	151,964	151,964	126,760	25,204
Operation & Maintenance of Plant	1,051,445	1,398,335	838,879	559,456
Student Transportation	129,217	150,098	150,098	-
Other Support Services	5,195	5,195	-	5,195
Community services	18,091	18,091	6,953	11,138
Food Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,820,166</b>	<b>\$ 6,278,494</b>	<b>\$ 5,385,716</b>	<b>\$ 892,778</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 5,312,239
Differences budget to GAAP	
Prior Year receivable	(3,261)
Change in deferred taxes	-
Current Year receivable	4,461
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 5,313,439</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 5,385,716
Differences-budget to GAAP	
Prior year payable	-
Current year payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 5,385,716</b>

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, 2010

<u>ASSETS</u>	Agency Funds
Pooled Cash and Investments	<u>\$ 88,185</u>
<u>LIABILITIES</u>	
Liabilities:	
Deposits held for others	<u>\$ 88,185</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, 2010.

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.

STATE OF NEW MEXICO  
LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
Notes to the Financial Statements  
June 30, 2010

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

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

### Expenditures

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

### Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time 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 1<sup>st</sup>. Tax notices are sent by the County treasurer to property owners by November 1<sup>st</sup> of each year to be paid in whole or in two installments by November 10<sup>th</sup> and April 10<sup>th</sup> 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.

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
 Notes to the Financial Statements  
 June 30, 2010

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 06-30-10	Reconciled Balance	Type
<b>Western Commerce Bank</b>			
<u>Name of Account</u>			
General Operational	\$ 1,446,444	\$ 938,289	Checking
TOTAL Deposited	<u>1,446,444</u>	<u>\$ 938,289</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	1,196,444		
50% collateral requirement	598,222		
Pledged securities	<u>1,941,356</u>		
Over (Under) requirement	<u>\$ 1,343,134</u>		

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
 Notes to the Financial Statements  
 June 30, 2010

Insured	\$ 250,000
Collateralized:	
Collatreal Held by the pledging bank in District's name	1,196,444
Uninsured and uncollateralized	-
Total Deposits	<u>\$1,446,444</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, 2010 none of the District's bank balance of \$1,362,832 was exposed to custodial credit risk.

<b>Interest Rate Risk-New Mexico State Treasurer</b>	<u>Balance Per Bank 06-30-10</u>	<u>Balance Reconciled</u>	<u>Type</u>
<u>Name of Account</u>			
LGIP Pool 4101 (Bond, Operational 20%)	<u>\$ 1,856,366</u>	<u>\$ 1,856,366</u>	Investment
TOTAL Deposited	<u>\$ 1,856,366</u>	<u>\$ 1,856,366</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

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
 Notes to the Financial Statements  
 June 30, 2010

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 interfund balances at June 30, 2010 which were temporary loans from operational to federal funds while awaiting reimbursements. Details of these balances are reflected in the individual balance sheets in the financial statements.

General Fund Due from other funds	\$255,283
Special Revenue Funds Due to General Fund	\$255,283

**NOTE D: INTERFUND TRANSFERS**

There were no Interfund Transfers for the year ending June 30, 2010.

**NOTE E: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2010:

	General	Debt Service	Debt Service Ed Tech	Other Governmental Funds
Property Taxes Receivable Available	\$ 4,461	\$ 32,181	\$ 2,580	\$ 17,979
Unavailable	-	-	-	-
<b>TOTAL Property Taxes Receivable</b>	<b>\$ 4,461</b>	<b>\$ 32,181</b>	<b>\$ 2,580</b>	<b>\$ 17,979</b>

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, 2010:

State Agencies	\$ 37,905
Federal Agencies	217,378
<b>Total</b>	<b>\$ 255,283</b>

**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, 2010:

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
 Notes to the Financial Statements  
 June 30, 2010

	General	Senate Bill Nine	Debt Service	Other Governmental
Property Taxes	\$ -	\$ -	\$ -	\$ -
Federal Revenues	-	-	-	78,080
TOTAL Deferred Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,080</u>

**NOTE H: CAPITAL ASSETS**

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

being Depreciated	\$ 10,000	\$ -	\$ -	\$ 10,000
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 21,376,320	\$ 1,810,226	\$ -	\$ 23,186,546
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,242,043</u>	<u>377,149</u>	<u>-</u>	<u>1,619,192</u>
Total Capital Assets, being Depreciated	<u>22,618,363</u>	<u>2,187,375</u>	<u>-</u>	<u>24,805,738</u>
Total Capital Assets	<u>\$ 22,628,363</u>	<u>\$ 2,187,375</u>	<u>\$ -</u>	<u>\$ 24,815,738</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	\$ 6,008,290	\$ 557,036	\$ -	\$ 6,565,326
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>891,398</u>	<u>95,375</u>	<u>-</u>	<u>986,773</u>
Total Accumulated Depreciation	<u>6,899,688</u>	<u>652,411</u>	<u>-</u>	<u>7,552,099</u>
Capital Assets, net	<u>\$ 15,728,675</u>	<u>\$ 1,534,964</u>	<u>\$ -</u>	<u>\$ 17,263,639</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 95,375
Operation & Maintenance of Plant	557,036
Total depreciation expenses	<u>\$ 652,411</u>

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
 Notes to the Financial Statements  
 June 30, 2010

**NOTE I: LONG TERM DEBT**

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

	6/30/2009	Additions	Reductions	6/30/2010	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 7,615,000	\$ -	\$ 430,000	\$ 7,185,000	\$ 445,000
Total Bonds	<u>7,615,000</u>	<u>-</u>	<u>430,000</u>	<u>7,185,000</u>	<u>445,000</u>
Other Liabilities					
Compensated					
Absences	58,893	37,694	58,893	37,694	-
Total Other	<u>58,893</u>	<u>37,694</u>	<u>58,893</u>	<u>37,694</u>	<u>-</u>
Liabilities					
Long-Term	<u>\$ 7,673,893</u>	<u>\$ 37,694</u>	<u>\$ 488,893</u>	<u>\$ 7,222,694</u>	<u>\$ 445,000</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:

Date of Issue	Original Amount	Interest Rate	Balance
7/15/2001	2,600,000	3.5%-4.75%	\$ 1,485,000
4/1/2007	500,000	3.75%	200,000
1/15/2008	3,000,000	4.00%	3,000,000
8/1/2008	2,500,000	4.00%	<u>2,500,000</u>

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

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOL DISTRICT NO. 21  
 Notes to the Financial Statements  
 June 30, 2010

	Principal	Interest	Total
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	550,000	176,500	726,500
2016-2020	2,900,000	582,750	3,482,750
2021-2025	1,300,000	139,625	1,439,625
	<u>\$ 7,185,000</u>	<u>\$ 1,895,011</u>	<u>\$ 9,080,011</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.

**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 9.4% of their gross salary. Loving Municipal Schools is required to contribute 10.9% of the gross covered salary. Effective July 1, 2010, 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, 2010, 2009 and 2008, were \$767,061, \$759,847 and \$690,088, 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](http://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, 2010, 2009, and 2008 were \$79,978, \$78,774 and \$72,608, 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

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 joint powers agreement with ten other school districts in the Southeastern New Mexico Education Resources Center (SNMERC). Pecos Valley Regional Center Cooperative is the fiscal agent for this group.

The District is a member of the Cooperative Educational Services. The joint powers agreement was entered into 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.

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS

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

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Taxes	\$ 673,089	\$ 673,089	\$ 465,045	\$ (208,044)
Investment Income	2,000	2,000	135	(1,865)
<b>TOTAL REVENUE</b>	<u>675,089</u>	<u>675,089</u>	<u>\$ 465,180</u>	<u>\$ (209,909)</u>
BUDGETED CASH BALANCE	<u>502,633</u>	<u>502,633</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,177,722</u>	<u>\$ 1,177,722</u>		
<b>EXPENDITURES</b>				
Current				
General Administration	\$ 900	\$ 1,077	\$ 1,076	\$ 1
Debt Service				
Principal Retirement	330,000	330,000	330,000	-
Bond Interest	343,089	343,089	343,089	-
Non-operating Reserves	503,733	503,556	-	503,556
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,177,722</u>	<u>\$ 1,177,722</u>	<u>\$ 674,165</u>	<u>\$ 503,557</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 465,180
Differences budget to GAAP	
Prior Year receivable	(21,816)
Change in deferred taxes	-
Current Year receivable	32,181
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 475,545</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 674,165
Differences-budget to GAAP	
Prior year Principal due	-
Prio year interest due	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 674,165</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 - DEBT SERVICE FUND ED TECH - 43000

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Taxes	\$ 109,375	\$ 109,375	\$ 66,651	\$ (42,724)
Investment Income	700	700	169	(531)
<b>TOTAL REVENUE</b>	<b>110,075</b>	<b>110,075</b>	<b>\$ 66,820</b>	<b>\$ (43,255)</b>
BUDGETED CASH BALANCE	208,414	208,414		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 318,489</b>	<b>\$ 318,489</b>		
<b>EXPENDITURES</b>				
Current				
General Administration	\$ 88	\$ 91	\$ 91	\$ -
Debt Service				
Principal Retirement	100,000	100,000	100,000	-
Bond Interest	9,375	9,375	9,375	-
Non-operating Reserves	209,026	209,023	-	209,023
<b>TOTAL EXPENDITURES</b>	<b>\$ 318,489</b>	<b>\$ 318,489</b>	<b>\$ 109,466</b>	<b>\$ 209,023</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 66,820
Differences budget to GAAP	
Prior Year receivable	(3,873)
Change in deferred taxes	-
Current Year receivable	2,580
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 65,527</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 109,466
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 109,466</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Sale of Bonds	\$ -	\$ -	\$ -	\$ -
Other Local Income	-	-	-	-
Investment Income	20,000	20,000	3,450	(16,550)
<b>TOTAL REVENUE</b>	<u>20,000</u>	<u>20,000</u>	<u>\$ 3,450</u>	<u>\$ (16,550)</u>
BUDGETED CASH BALANCE	<u>2,760,264</u>	<u>2,760,264</u>		
TOTAL REVENUE & CASH	<u>\$ 2,780,264</u>	<u>\$ 2,780,264</u>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 2,780,264	\$ 2,780,264	\$ 1,724,653	\$ 1,055,611
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,780,264</u>	<u>\$ 2,780,264</u>	<u>\$ 1,724,653</u>	<u>\$ 1,055,611</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 3,450
Differences budget to GAAP	
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 3,450</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,724,653
Differences-budget to GAAP	
Current Year Accounts Payable	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 1,724,653</u>

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, 2010

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
<b>ASSETS</b>				
Cash on Deposit	\$ 562,445	\$ 1	\$ 34,879	\$ 597,325
Taxes Receivable	4,461	-	-	4,461
Due from other Funds	255,283	-	-	255,283
Due from other Governments	-	-	-	-
Inventories	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 822,189</b>	<b>\$ 1</b>	<b>\$ 34,879</b>	<b>\$ 857,069</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated, Reported in General Fund	822,189	1	34,879	857,069
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>822,189</b>	<b>1</b>	<b>34,879</b>	<b>857,069</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 822,189</b>	<b>\$ 1</b>	<b>\$ 34,879</b>	<b>\$ 857,069</b>

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, 2010

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
<b>REVENUE</b>				
Federal Aid	\$ 9,523	\$ -	\$ -	\$ 9,523
State Aid	5,023,179	150,098	31,559	5,204,836
Property taxes	69,190	-	-	69,190
Interest	2,858	-	-	2,858
Insurance recoveries/refunds	128	-	-	128
Other local sources	26,904	-	-	26,904
<b>TOTAL REVENUES</b>	<b>5,131,782</b>	<b>150,098</b>	<b>31,559</b>	<b>5,313,439</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	3,004,864	-	42,682	3,047,546
<b>Support Services</b>				
Students	295,294	-	-	295,294
Instruction	239,071	-	1,608	240,679
General Administration	276,090	-	-	276,090
School Administration	403,417	-	-	403,417
Central Services	126,760	-	-	126,760
Operation & Maintenance of Plant	838,879	-	-	838,879
Transportation of students	-	150,098	-	150,098
Other Support Services	-	-	-	-
Community Services	6,953	-	-	6,953
Food Service	-	-	-	-
<b>Non-current</b>				
Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Facilities and construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>5,191,328</b>	<b>150,098</b>	<b>44,290</b>	<b>5,385,716</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(59,546)</b>	<b>-</b>	<b>(12,731)</b>	<b>(72,277)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Bonds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(59,546)</b>	<b>-</b>	<b>(12,731)</b>	<b>(72,277)</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>881,735</b>	<b>1</b>	<b>47,610</b>	<b>929,346</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ 822,189</b>	<b>\$ 1</b>	<b>\$ 34,879</b>	<b>\$ 857,069</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 3,249	\$ 3,249	\$ 9,523	\$ 6,274
State Revenue	5,115,864	5,073,811	5,023,179	(50,632)
Property Taxes	77,298	77,298	67,990	(9,308)
Local Revenue	4,400	4,400	26,904	22,504
Contributions, donations	-	-	128	128
Income from Investments	12,000	12,000	2,858	(9,142)
<b>TOTAL REVENUE</b>	<b>5,212,811</b>	<b>5,170,758</b>	<b>\$ 5,130,582</b>	<b>\$ (40,176)</b>

BUDGETED CASH BALANCE 451,779 883,669

TOTAL REVENUE & CASH \$ 5,664,590 \$ 6,054,427

**EXPENDITURES**

Current

Instruction	\$ 3,077,480	\$ 3,182,427	\$ 3,004,864	\$ 177,563
Support Services				
Students	345,367	345,367	295,294	50,073
Instruction	241,722	241,722	239,071	2,651
General Administration	351,920	289,920	276,090	13,830
School Administration	421,406	421,406	403,417	17,989
Central Services	151,964	151,964	126,760	25,204
Operation & Maintenance of Plant	1,051,445	1,398,335	838,879	559,456
Student Transportation	-	-	-	-
Other Support Services	5,195	5,195	-	5,195
Community services	18,091	18,091	6,953	11,138
Food Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,664,590</b>	<b>\$ 6,054,427</b>	<b>\$ 5,191,328</b>	<b>\$ 863,099</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 5,130,582
Differences budget to GAAP	
Prior Year receivable	(3,261)
Change in deferred taxes	-
Current Year receivable	4,461
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 5,131,782</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 5,191,328
Differences-budget to GAAP	
Prior year payable	-
Current year payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 5,191,328</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 129,217	\$ 150,098	\$ 150,098	\$ -
TOTAL REVENUE	<u>129,217</u>	<u>150,098</u>	<u>150,098</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 129,217</u>	<u>\$ 150,098</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 129,217	\$ 150,098	\$ 150,098	\$ -
TOTAL EXPENDITURES	<u>\$ 129,217</u>	<u>\$ 150,098</u>	<u>\$ 150,098</u>	<u>\$ -</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 150,098
Differences budget to GAAP	
Prior Year checks voided	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 150,098</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 150,098
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 150,098</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 - GENERAL FUND - INSTRUCTIONAL MATERIALS - 14000

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 25,359	\$ 73,969	\$ 31,559	\$ (42,410)
TOTAL REVENUE	25,359	73,969	31,559	(42,410)
<b>BUDGETED CASH BALANCE</b>				
	-	-		
<b>TOTAL REVENUE &amp; CASH</b>				
	\$ 25,359	\$ 73,969		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 23,430	\$ 71,040	\$ 42,682	\$ 28,358
Support Services				
Instruction	2,929	2,929	1,608	1,321
TOTAL EXPENDITURES	\$ 26,359	\$ 73,969	\$ 44,290	\$ 29,679

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 31,559
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 31,559

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 44,290
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 44,290

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

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>ASSETS</b>			
Cash on Deposit	\$ 217,808	\$ 366,109	\$ 583,917
Taxes receivable		17,979	17,979
Due from other Governments	255,283	-	255,283
Inventories	23,085	-	23,085
<b>TOTAL ASSETS</b>	<b>\$ 496,176</b>	<b>\$ 384,088</b>	<b>\$ 880,264</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	255,283	-	255,283
Deferred Revenue	78,080	-	78,080
<b>TOTAL LIABILITIES</b>	<b>333,363</b>	<b>-</b>	<b>333,363</b>
<b>FUND BALANCE</b>			
Fund Balance			
Reserved:			
Reserved for inventory	23,085	-	23,085
Unreserved:			
Designated for subsequent year expenditures	139,728	384,088	523,816
<b>TOTAL FUND BALANCE</b>	<b>162,813</b>	<b>384,088</b>	<b>546,901</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 496,176</b>	<b>\$ 384,088</b>	<b>\$ 880,264</b>

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, 2010

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>REVENUES</b>			
Federal Aid	\$ 1,972,920	\$ -	\$ 1,972,920
State Aid	121,485	83,073	204,558
Property taxes	-	278,185	278,185
Local revenues	72,960	187,000	259,960
Interest	-	555	555
<b>TOTAL REVENUES</b>	<b>2,167,365</b>	<b>548,813</b>	<b>2,716,178</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	1,228,552	-	1,228,552
Support Services			
Students	255,040	-	255,040
Instruction	128,797	-	128,797
General Administration	12,459	-	12,459
School Administration	9,278	-	9,278
Central Services	1,300	-	1,300
Operation & Maintenance of Plant	30,505	-	30,505
Student Transportation	8,540	-	8,540
Food Service	419,760	-	419,760
Facilities and construction	-	711,156	711,156
<b>TOTAL EXPENDITURES</b>	<b>2,094,231</b>	<b>711,156</b>	<b>2,805,387</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>73,134</b>	<b>(162,343)</b>	<b>(89,209)</b>
<b>FUND BALANCE- JUNE 30, 2009</b>	<b>89,679</b>	<b>546,431</b>	<b>636,110</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ 162,813</b>	<b>\$ 384,088</b>	<b>\$ 546,901</b>

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, 2010

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	TITLE I MIGRANT 24103	IDEA-B ENTITLEMENT 24106	IDEA-B DISCRETIONARY 24107
<b>ASSETS</b>						
Cash on Deposit	\$ 121,358	\$ 18,370	\$ -	\$ 964	\$ -	\$ -
Due from other Governments	-	-	9,194	-	28,728	-
Inventories	23,085	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 144,443</b>	<b>\$ 18,370</b>	<b>\$ 9,194</b>	<b>\$ 964</b>	<b>\$ 28,728</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	9,194	-	28,728	-
Deferred Revenue	-	-	-	964	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>9,194</b>	<b>964</b>	<b>28,728</b>	<b>-</b>
<b>FUND BALANCE</b>						
Fund Balance						
Reserved:						
Reserved for inventory	23,085	-	-	-	-	-
Unreserved:						
Designated for subsequent year expenditures	121,358	18,370	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>144,443</b>	<b>18,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 144,443</b>	<b>\$ 18,370</b>	<b>\$ 9,194</b>	<b>\$ 964</b>	<b>\$ 28,728</b>	<b>\$ -</b>

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

IDEA-B PRESCHOOL 24109	21st CENTURY LEARNING CENTER 24119	WELLNESS PROGRAM 24121	ENHANCING EDUCATION THROUGH TECHNOLOGY 24149	TITLE III 24153	TITLE II 24154	TITLE IV 24157	READING FIRST 24167	HSTW 24172
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,270
1,183	39,030	2,999	671	14,684	20,854	234	13,070	-
\$ 1,183	\$ 39,030	\$ 2,999	\$ 671	\$ 14,684	\$ 20,854	\$ 234	\$ 13,070	\$ 6,270
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,183	39,030	2,999	671	14,684	20,854	234	13,070	-
\$ 1,183	\$ 39,030	\$ 2,999	\$ 671	\$ 14,684	\$ 20,854	\$ 234	\$ 13,070	\$ 6,270
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 1,183	\$ 39,030	\$ 2,999	\$ 671	\$ 14,684	\$ 20,854	\$ 234	\$ 13,070	\$ 6,270

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2010

	HSTW 24180	ENTITLEMENT ARRA 24206	HEADSTART 25127	TITLE XIX MEDICAID 25153	RURAL EDUCATION ACHIEVEMENT 25233	SEG FEDERAL STIMULUS 25250	HEADSTART FEDERAL STIMULUS 25253	MICROSOFT SETTLEMENT FUNDS 26170	GO BONDS STUDENT LIB FUND 27105
<b>ASSETS</b>									
Cash on Deposit	\$ 1,927	\$ -	\$ -	\$ 11,993	\$ 2,617	\$ -	\$ -	\$ 8,359	\$ -
Due from other Governments	-	30	19,256	-	-	57,967	3,208	-	2,700
Inventories	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,927</b>	<b>\$ 30</b>	<b>\$ 19,256</b>	<b>\$ 11,993</b>	<b>\$ 2,617</b>	<b>\$ 57,967</b>	<b>\$ 3,208</b>	<b>\$ 8,359</b>	<b>\$ 2,700</b>
<b>LIABILITIES</b>									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal balances	-	30	19,256	-	-	57,967	3,208	-	2,700
Deferred Revenue	1,927	-	-	11,993	2,617	-	-	8,359	-
<b>TOTAL LIABILITIES</b>	<b>1,927</b>	<b>30</b>	<b>19,256</b>	<b>11,993</b>	<b>2,617</b>	<b>57,967</b>	<b>3,208</b>	<b>8,359</b>	<b>2,700</b>
<b>FUND BALANCE</b>									
Fund Balance									
Reserved:									
Reserved for inventory	-	-	-	-	-	-	-	-	-
Unreserved:									
Designated for subsequent year expenditures	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 1,927</b>	<b>\$ 30</b>	<b>\$ 19,256</b>	<b>\$ 11,993</b>	<b>\$ 2,617</b>	<b>\$ 57,967</b>	<b>\$ 3,208</b>	<b>\$ 8,359</b>	<b>\$ 2,700</b>

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

INCENTIVES											
TECHNOLOGY FOR EDUCATION	FOR SCHOOL IMPROVEMENT	BEGINNING TEACHER MENTORING	SCHOOL IMPROVEMENT FRAMEWORK	K-3 PLUS	LIBRARY SB301	STATE DIRECTED ACTIVITIES	LIBRARY BOOK FUND	CYFD COMMUNITY SERVICES	NMSUJ GEAR UP	MICROSOFT PIL	COMBINED
27117	27138	27154	27164	27166	27170	27200	27549	28141	29102	29132	
\$ 10,020	\$ 4,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322	\$ 2	\$ 445	\$ 30,913	\$ 217,808
-	-	1,198	3,192	970	390	35,725	-	-	-	-	255,283
-	-	-	-	-	-	-	-	-	-	-	23,085
<u>\$ 10,020</u>	<u>\$ 4,248</u>	<u>\$ 1,198</u>	<u>\$ 3,192</u>	<u>\$ 970</u>	<u>\$ 390</u>	<u>\$ 35,725</u>	<u>\$ 322</u>	<u>\$ 2</u>	<u>\$ 445</u>	<u>\$ 30,913</u>	<u>\$ 496,176</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,198	3,192	970	390	35,725	-	-	-	-	255,283
10,020	4,248	-	-	-	-	-	322	2	445	30,913	78,080
<u>10,020</u>	<u>4,248</u>	<u>1,198</u>	<u>3,192</u>	<u>970</u>	<u>390</u>	<u>35,725</u>	<u>322</u>	<u>2</u>	<u>445</u>	<u>30,913</u>	<u>333,363</u>
-	-	-	-	-	-	-	-	-	-	-	23,085
-	-	-	-	-	-	-	-	-	-	-	139,728
-	-	-	-	-	-	-	-	-	-	-	<u>162,813</u>
<u>\$ 10,020</u>	<u>\$ 4,248</u>	<u>\$ 1,198</u>	<u>\$ 3,192</u>	<u>\$ 970</u>	<u>\$ 390</u>	<u>\$ 35,725</u>	<u>\$ 322</u>	<u>\$ 2</u>	<u>\$ 445</u>	<u>\$ 30,913</u>	<u>\$ 496,176</u>

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, 2010

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106	IDEA -B PRESCHOOL 24109	21STCENTURY LEARNING CENTER 24119
<b>REVENUES</b>						
Federal Aid	\$ 463,697	\$ -	\$ 77,629	\$ 128,977	\$ 6,847	\$ 195,927
State Aid	20,924	-	-	-	-	-
Property Taxes	-	-	-	-	-	-
Local revenues	4,658	40,537	-	-	-	-
Interest	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>489,279</b>	<b>40,537</b>	<b>77,629</b>	<b>128,977</b>	<b>6,847</b>	<b>195,927</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
Instruction	-	37,398	70,859	91,422	6,847	98,054
Support Services						
Students	-	-	-	37,555	-	87,185
Instruction	-	-	5,988	-	-	-
General Administration	-	-	782	-	-	4,067
School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	6,621
Food Service	419,284	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>419,284</b>	<b>37,398</b>	<b>77,629</b>	<b>128,977</b>	<b>6,847</b>	<b>195,927</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>69,995</b>	<b>3,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE- JUNE 30, 2009</b>	<b>74,448</b>	<b>15,231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ 144,443</b>	<b>\$ 18,370</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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



IDEA-B REALLOCATION 24120	ENHANCING EDUCATION THROUGH TECHNOLOGY 24149	TITLE V 24150	TITLE III 24153	TITLE II 24154	TITLE IV 24157	TITLE I SCHOOL IMPROVEMENTS 24162	READING FIRST 24167	HSTW 24180
\$ 1,432	\$ 40,447	\$ 140	\$ 23,024	\$ 26,297	\$ 2,124	\$ 40,000	\$ 51,851	\$ 11,175
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,432	40,447	140	23,024	26,297	2,124	40,000	51,851	11,175
1,432	40,183	140	23,024	26,297	2,124	40,000	51,851	10,942
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	264	-	-	-	-	-	-	233
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,432	40,447	140	23,024	26,297	2,124	40,000	51,851	11,175
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2010

	HSTW REDIST. 24182	TITLE I FED STIM 24201	ENTITLEMENT FED STIM 24206	PRESCHOOL FED STIM 24209	EDUCATION HOMELESS FED STIM 24213	HEADSTAR 25127	TITLE XIX MEDICAID 25153	RURAL EDUCATION ACHIEVEMENT 25233	SEG FED STIMULUS 25250	HEADSTART FED STIM 25253
<b>REVENUES</b>										
Federal Aid	\$ 13,327	\$ 42,704	\$ 42,877	\$ 1,505	\$ 6,055	\$ 174,708	\$ 22,433	\$ 28,313	\$ 490,925	\$ 15,401
State Aid	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-
Local revenues	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>13,327</b>	<b>42,704</b>	<b>42,877</b>	<b>1,505</b>	<b>6,055</b>	<b>174,708</b>	<b>22,433</b>	<b>28,313</b>	<b>490,925</b>	<b>15,401</b>
<b>EXPENDITURES</b>										
Current										
Instruction	13,049	42,704	42,877	1,505	6,055	127,078	22,433	27,700	286,277	14,077
Support Services										
Students	-	-	-	-	-	-	-	-	90,238	-
Instruction	-	-	-	-	-	38,825	-	-	75,910	1,324
General Administration	-	-	-	-	-	-	-	613	6,500	-
School Administration	278	-	-	-	-	-	-	-	9,000	-
Central Services	-	-	-	-	-	-	-	-	1,300	-
Operation & Maintenance of Plant	-	-	-	-	-	8,805	-	-	21,700	-
Student Transportation	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>13,327</b>	<b>42,704</b>	<b>42,877</b>	<b>1,505</b>	<b>6,055</b>	<b>174,708</b>	<b>22,433</b>	<b>28,313</b>	<b>490,925</b>	<b>15,401</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

MICROSOFT SETTLEMENT FUND 26170	DUAL CREDIT INS MAT 27103	GO BONDS STUDENT LIB FUND 27105	TECHNOLOGY FOR EDUCATION 27117	BEGINNING TEACHER MENTORING 27154	SCHOOL IMPROVEMENT FRAMEWORK 27164	K-3 PLUS 27166	LIBRARY SB301 27170	STATE DIRECTED ACTIVITIES 27200	LIBRARY BOOK FUND 27549	MICROSOFT P/L 29132	COMBINED
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,105	\$ -	\$ -	\$ 1,972,920
-	5,899	2,700	2,710	1,068	3,192	83,039	390	-	1,563	-	121,485
-	-	-	-	-	-	-	-	-	-	-	-
599	-	-	-	-	-	-	-	-	-	27,166	72,960
-	-	-	-	-	-	-	-	-	-	-	-
599	5,899	2,700	2,710	1,068	3,192	83,039	390	65,105	1,563	27,166	2,167,365
599	5,899	-	613	1,068	3,192	81,120	-	25,043	-	26,690	1,228,552
-	-	-	-	-	-	-	-	40,062	-	-	255,040
-	-	2,700	2,097	-	-	-	390	-	1,563	-	128,797
-	-	-	-	-	-	-	-	-	-	-	12,459
-	-	-	-	-	-	-	-	-	-	-	9,278
-	-	-	-	-	-	-	-	-	-	-	1,300
-	-	-	-	-	-	-	-	-	-	-	30,505
-	-	-	-	-	-	1,919	-	-	-	-	8,540
-	-	-	-	-	-	-	-	-	-	476	419,780
-	-	-	-	-	-	-	-	-	-	-	-
599	5,899	2,700	2,710	1,068	3,192	83,039	390	65,105	1,563	27,166	2,094,231
-	-	-	-	-	-	-	-	-	-	-	73,134
-	-	-	-	-	-	-	-	-	-	-	89,679
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,813

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Aid	\$ 405,834	\$ 405,834	\$ 471,098	\$ 65,264
State Aid	15,000	15,000	20,924	5,924
Local Revenue	5,000	5,000	4,658	(342)
Income from Investments	-	-	-	-
<b>TOTAL REVENUE</b>	<b>425,834</b>	<b>425,834</b>	<b>\$ 496,680</b>	<b>\$ 70,846</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 425,834</b>	<b>\$ 425,834</b>		
<b>EXPENDITURES</b>				
Current				
Food Service	425,834	425,834	409,255	16,579
<b>TOTAL EXPENDITURES</b>	<b>\$ 425,834</b>	<b>\$ 425,834</b>	<b>\$ 409,255</b>	<b>\$ 16,579</b>

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

<b>Sources/Inflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 496,680
Differences budget to GAAP	
Prior Year receivable	(34,085)
Current Year commodities	26,684
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 489,279</b>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 409,255
Differences-budget to GAAP	
Prior Year Payables	-
Current Year commodities	26,684
Change in Inventories	(16,655)
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 419,284</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Fees from activities	\$ 40,000	\$ 40,000	\$ 40,537	\$ 537
Investment income	-	-	-	-
<b>TOTAL REVENUE</b>	<u>40,000</u>	<u>40,000</u>	<u>\$ 40,537</u>	<u>\$ 537</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 40,000</u>	<u>\$ 40,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 40,000	\$ 40,000	\$ 37,398	\$ 2,602
<b>TOTAL EXPENDITURES</b>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 37,398</u>	<u>\$ 2,602</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 40,537
Differences budget to GAAP	-
Prior Year deferral	-
Current Year deferral	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 40,537</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 37,398
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 37,398</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 105,932	\$ 105,930	\$ 80,301	\$ (25,629)
TOTAL REVENUE	105,932	105,930	<u>80,301</u>	<u>(25,629)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 105,932</u>	<u>\$ 105,930</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 97,683	\$ 98,878	\$ 70,859	\$ 28,019
Support Services				
Students	-	-	-	-
Instruction	5,993	5,993	5,988	5
General Administration	2,256	1,059	782	277
School Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 105,932</u>	<u>\$ 105,930</u>	<u>\$ 77,629</u>	<u>\$ 28,301</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 80,301
Differences budget to GAAP	
Prior Year receivable	(11,866)
Current Year receivable	9,194
Total Revenues (GAAP Basis)	<u>\$ 77,629</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 77,629
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 77,629</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 132,688	\$ 118,178	\$ (14,510)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>132,688</b>	<b>118,178</b>	<b>(14,510)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 132,688</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 93,620	\$ 91,422	\$ 2,198
Support Services				
Students	-	39,068	37,555	1,513
Instruction	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 132,688</b>	<b>\$ 128,977</b>	<b>\$ 3,711</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 118,178
Differences budget to GAAP	
Prior Year receivable	(17,929)
Current Year receivable	28,728
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 128,977</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 128,977
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 128,977</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 6,847	\$ 6,891	\$ 44
<b>TOTAL REVENUE</b>	<b>-</b>	<b>6,847</b>	<b>6,891</b>	<b>44</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>-</b>	<b>6,847</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 6,847	\$ 6,847	\$ -
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>6,847</b>	<b>6,847</b>	<b>-</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 6,891
Differences budget to GAAP	
Prior Year receivable	(1,227)
Current Year receivable	1,183
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 6,847</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 6,847
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 6,847</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 365,643	\$ 383,164	\$ 166,300	\$ (216,864)
TOTAL REVENUE	<u>365,643</u>	<u>383,164</u>	<u>\$ 166,300</u>	<u>\$ (216,864)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 365,643</u>	<u>\$ 383,164</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 255,502	\$ 272,658	\$ 98,054	\$ 174,604
Support Services				
Students	91,411	91,411	87,185	4,226
Instruction	-	-	-	-
General Administration	7,778	8,153	4,067	4,086
Student Transportation	10,942	10,942	6,621	4,321
TOTAL EXPENDITURES	<u>\$ 365,633</u>	<u>\$ 383,164</u>	<u>\$ 195,927</u>	<u>\$ 187,237</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 166,300
Differences budget to GAAP	
Prior Year receivable	(9,403)
Current Year receivable	39,030
Total Revenues (GAAP Basis)	<u>\$ 195,927</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 195,927
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 195,927</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 - REALLOCATION - 24120

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 1,432	\$ 1,432	\$ -
<b>TOTAL REVENUE</b>	<b>-</b>	<b>1,432</b>	<b>1,432</b>	<b>-</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 1,432</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,432	\$ 1,432	\$ -
Support Services				
Students	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 1,432</b>	<b>\$ 1,432</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,432
Differences budget to GAAP	
Prior Year deferral	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 1,432</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,432
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 1,432</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 57,155	\$ 45,295	\$ (11,860)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>57,155</b>	<b>45,295</b>	<b>(11,860)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 57,155</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 56,891	\$ 40,183	\$ 16,708
Support Services				
Instruction	-	-	-	-
General Administration	-	264	264	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 57,155</b>	<b>\$ 40,447</b>	<b>\$ 16,708</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 45,295
Differences budget to GAAP	
Prior Year receivable	(5,519)
Current Year receivable	671
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 40,447</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 40,447
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 40,447</b>

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 V INNOVATIVE ED -24150

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 140	\$ 140	\$ -
<b>TOTAL REVENUE</b>	<b>-</b>	<b>140</b>	<b>140</b>	<b>-</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 140</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 140	\$ 140	\$ -
Support Services				
General Administration	-	-	-	
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 140</b>	<b>\$ 140</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 140
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 140</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 140
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 140</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 9,960	\$ 27,089	\$ 9,326	\$ (17,763)
<b>TOTAL REVENUE</b>	<b>9,960</b>	<b>27,089</b>	<b>9,326</b>	<b>(17,763)</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 9,960</b>	<b>\$ 27,089</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 9,960	\$ 27,089	\$ 23,024	\$ 4,065
Support Services				
Students	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,960</b>	<b>\$ 27,089</b>	<b>\$ 23,024</b>	<b>\$ 4,065</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 9,326
Differences budget to GAAP	
Prior Year receivable	(986)
Current Year receivable	14,684
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 23,024</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 23,024
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 23,024</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 27,225	\$ 27,225	\$ 9,482	\$ (17,743)
<b>TOTAL REVENUE</b>	<b>27,225</b>	<b>27,225</b>	<b>9,482</b>	<b>(17,743)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 27,225</b>	<b>\$ 27,225</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 27,225	\$ 27,225	\$ 26,297	\$ 928
Support Services				
General Administration	-	-	-	
<b>TOTAL EXPENDITURES</b>	<b>\$ 27,225</b>	<b>\$ 27,225</b>	<b>\$ 26,297</b>	<b>\$ 928</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 9,482
Differences budget to GAAP	
Prior Year receivable	(4,039)
Current Year receivable	20,854
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 26,297</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 26,297
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 26,297</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Aid	\$ 2,124	\$ 2,124	\$ 2,740	\$ 616
<b>TOTAL REVENUE</b>	<u>2,124</u>	<u>2,124</u>	<u>\$ 2,740</u>	<u>\$ 616</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 2,124</u>	<u>\$ 2,124</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 2,124	\$ 2,124	\$ 2,124	\$ -
Support Services				
General Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,124</u>	<u>\$ 2,124</u>	<u>\$ 2,124</u>	<u>\$ -</u>

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

<b>Sources/Inflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 2,740
Differences budget to GAAP	
Prior Year receivable	(850)
Current Year receivable	234
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 2,124</u>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 2,124
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 2,124</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 SCHOOL IMPROVEMENTS - 24162

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 40,000	\$ 40,000	\$ -
<b>TOTAL REVENUE</b>	<b>-</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 40,000</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 40,000	\$ 40,000	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 40,000
Differences budget to GAAP	-
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 40,000</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 40,000
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 40,000</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Aid	\$ 103,701	\$ 51,851	\$ 38,878	\$ (12,973)
TOTAL REVENUE	103,701	51,851	38,878	(12,973)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 103,701	\$ 51,851		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 101,590	\$ 51,851	\$ 51,851	\$ -
Support Services				
General Administration	2,111	-	-	-
TOTAL EXPENDITURES	\$ 103,701	\$ 51,851	\$ 51,851	\$ -

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 38,878
Differences budget to GAAP	
Prior year receivable	(98)
Current Year receivable	13,071
Total Revenues (GAAP Basis)	\$ 51,851

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 51,851
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 51,851

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 11,175	\$ 11,175	\$ 15,813	\$ 4,638
<b>TOTAL REVENUE</b>	<b>11,175</b>	<b>11,175</b>	<b>15,813</b>	<b>4,638</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 11,175</b>	<b>\$ 11,175</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 10,942	\$ 10,942	\$ 10,942	\$ -
General Administration	233	233	233	-
School Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 11,175</b>	<b>\$ 11,175</b>	<b>\$ 11,175</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 15,813
Differences budget to GAAP	
Prior Year Receivable	(2,711)
Current Year Deferral	(1,927)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 11,175</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 11,175
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 11,175</b>

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 REDISTRIBUTION - 24182

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 13,327	\$ 13,327	\$ -
TOTAL REVENUE	-	13,327	13,327	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 13,327		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 13,049	\$ 13,049	\$ -
General Administration	-	278	278	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 13,327	\$ 13,327	\$ -

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 13,327
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 13,327

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 13,327
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 13,327

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 FEDERAL STIMULUS - 24201

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 42,704	\$ 42,704	\$ -
TOTAL REVENUE	-	42,704	42,704	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 42,704		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 42,704	\$ 42,704	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 42,704	\$ 42,704	\$ -

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 42,704
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 42,704

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 42,704
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 42,704

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 ARRA - 24206

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 75,555	\$ 42,847	\$ (32,708)
TOTAL REVENUE	-	75,555	<u>42,847</u>	<u>(32,708)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 75,555</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 75,555	\$ 42,877	\$ 32,678
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 75,555</u>	<u>\$ 42,877</u>	<u>\$ 32,678</u>

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

<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 42,847
Differences budget to GAAP		
Prior Year receivable		-
Current Year receivable		30
Total Revenues (GAAP Basis)		<u>\$ 42,877</u>
 <b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis)		\$ 42,877
Differences-budget to GAAP		
Total Expenditures (GAAP Basis)		<u>\$ 42,877</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 - PRESCHOOL ARRA - 24209

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 2,856	\$ 1,505	\$ (1,351)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>2,856</b>	<b>1,505</b>	<b>(1,351)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 2,856</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 2,856	\$ 1,505	\$ 1,351
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 2,856</b>	<b>\$ 1,505</b>	<b>\$ 1,351</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,505
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 1,505</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,505
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 1,505</b>

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 - EDUCATION OF HOMELESS FEDERAL STIMULUS - 24213

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 10,000	\$ 6,055	\$ (3,945)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>10,000</b>	<b>6,055</b>	<b>(3,945)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 10,000</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 10,000	\$ 6,055	\$ 3,945
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 6,055</b>	<b>\$ 3,945</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 6,055
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 6,055</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 6,055
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 6,055</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 174,708	\$ 150,285	\$ (24,423)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>174,708</b>	<b>150,285</b>	<b>(24,423)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 174,708</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 127,078	\$ 127,078	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	38,825	38,825	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	8,805	8,805	-
Student Transportation	-	-	-	-
Food Service	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 174,708</b>	<b>\$ 174,708</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 150,285
Differences budget to GAAP	
Prior Year deferral	-
Prior Year Deferral	5,167
Current Year Receivable	19,256
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 174,708</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 174,708
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 174,708</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 30,626	\$ 26,277	\$ (4,349)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>30,626</b>	<b>26,277</b>	<b>(4,349)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 30,626</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 30,626	\$ 22,433	\$ 8,193
Support Services				
Students	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 30,626</b>	<b>\$ 22,433</b>	<b>\$ 8,193</b>

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

<b>Sources/Inflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 26,277
Differences budget to GAAP	
Prior Year deferral	8,149
Current Year deferral	(11,993)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 22,433</b>
<b>Uses/Outflows of Resources</b>	
Actual amounts (budgetary basis)	\$ 22,433
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 22,433</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 31,939	\$ 44,703	\$ 12,764
<b>TOTAL REVENUE</b>	<b>-</b>	<b>31,939</b>	<b>44,703</b>	<b>12,764</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 31,939</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 31,326	\$ 27,700	\$ 3,626
Support Services	-	-	-	-
General Administration	-	613	613	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 31,939</b>	<b>\$ 28,313</b>	<b>\$ 3,626</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 44,703
Differences budget to GAAP	
Prior Year Receivable	(13,773)
Current Year Deferral	(2,617)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 28,313</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 28,313
Differences-budget to GAAP	
	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 28,313</b>

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 - SEG FEDERAL STIMULUS - 25250

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 356,745	\$ 490,925	\$ 432,958	\$ (57,967)
<b>TOTAL REVENUE</b>	<b>356,745</b>	<b>490,925</b>	<b>432,958</b>	<b>(57,967)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 356,745</b>	<b>\$ 490,925</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 216,049	\$ 286,277	\$ 286,277	\$ -
Support Services				
Students	86,000	90,238	90,238	-
Instruction	54,696	75,910	75,910	-
General Administration	-	6,500	6,500	-
School Administration	-	9,000	9,000	-
Central Services	-	1,300	1,300	-
Operation & Maintenance of Plant	-	21,700	21,700	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 356,745</b>	<b>\$ 490,925</b>	<b>\$ 490,925</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 432,958
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	57,967
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 490,925</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 490,925
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 490,925</b>

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 FEDERAL STIMULUS- 25253

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 15,401	\$ 12,193	\$ (3,208)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>15,401</b>	<b>12,193</b>	<b>(3,208)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 15,401</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 14,077	\$ 14,077	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	1,324	1,324	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Service	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 15,401</b>	<b>\$ 15,401</b>	<b>\$ -</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 12,193
Differences budget to GAAP	
Prior Year deferral	-
Prior Year Deferral	-
Current Year Receivable	3,208
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 15,401</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 15,401
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 15,401</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue	\$ 43,309	\$ 8,958	\$ -	\$ (8,958)
<b>TOTAL REVENUE</b>	<b>43,309</b>	<b>8,958</b>	<b>-</b>	<b>(8,958)</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 43,309</b>	<b>\$ 8,958</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 43,309	\$ 8,958	\$ 599	\$ 8,359
Support Services - Instruction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 43,309</b>	<b>\$ 8,958</b>	<b>\$ 599</b>	<b>\$ 8,359</b>

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	8,958
Current Year Deferral	(8,359)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 599</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 599
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 599</b>

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 - DUAL CREDIT INSTRUCTIONAL MATERIALS 27103

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 29,000	\$ 5,899	\$ (23,101)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>29,000</b>	<b>5,899</b>	<b>(23,101)</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 29,000</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 29,000	\$ 5,899	\$ 23,101
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 29,000</b>	<b>\$ 5,899</b>	<b>\$ 23,101</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 5,899
Differences budget to GAAP	-
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 5,899</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 5,899
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 5,899</b>

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 - GO BONDS STUDENT LIBRARY FUND - 27105

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ -	\$ 9,891	\$ -	\$ (9,891)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>9,891</u>	<u>-</u>	<u>(9,891)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 9,891</u>		
<b>EXPENDITURES</b>				
Current				
Support Services				
Instruction	\$ -	\$ 9,891	\$ 2,700	\$ 7,191
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 9,891</u>	<u>\$ 2,700</u>	<u>\$ 7,191</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	2,700
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 2,700</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 2,700
Differences-budget to GAAP	-
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 2,700</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 TECHNOLOGY FOR EDUCATION- 27117

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue	\$ -	\$ 3,747	\$ 4,073	\$ 326
<b>TOTAL REVENUE</b>	<b>-</b>	<b>3,747</b>	<b>4,073</b>	<b>326</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 3,747</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,644	\$ 613	\$ 1,031
Support Services				
Instruction	-	2,103	2,097	6
General Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 3,747</b>	<b>\$ 2,710</b>	<b>\$ 1,037</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 4,073
Differences budget to GAAP	
Prior Year receivable	8,657
Current Year deferral	(10,020)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 2,710</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 2,710
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 2,710</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ -	\$ 1,068	\$ 1,068	\$ -
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,068</u>	<u>1,068</u>	<u>-</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,068</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,068	\$ 1,068	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,068</u>	<u>1,068</u>	<u>-</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 1,068
Differences budget to GAAP	
Prior Year Receivable	(1,198)
Current Year Receivable	1,198
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 1,068</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,068
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 1,068</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 IMPROVEMENT FRAMEWORK - 27164

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ -	\$ 4,000	\$ -	\$ (4,000)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 4,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 4,000	\$ 3,192	\$ 808
Supprt Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 3,192</u>	<u>\$ 808</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	3,192
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 3,192</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 3,192
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 3,192</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ -	\$ -	\$ 35,000	\$ 35,000
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Supprt Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<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)	\$ 35,000
Differences budget to GAAP	
Prior Year Receivable	(35,000)
Current Year Receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ -</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<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 - K-3 PLUS - 27166

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ -	\$ 83,339	\$ 136,578	\$ 53,239
<b>TOTAL REVENUE</b>	<b>-</b>	<b>83,339</b>	<b>136,578</b>	<b>53,239</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 83,339</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 81,420	\$ 81,120	\$ 300
Student Transportation	-	1,919	1,919	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 83,339</b>	<b>\$ 83,039</b>	<b>\$ 300</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 136,578
Differences budget to GAAP	
Prior Year receivable	(54,509)
Current Year receivable	970
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 83,039</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 83,039
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 83,039</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 111	\$ 393	\$ 4,399	\$ 4,006
<b>TOTAL REVENUE</b>	<b>111</b>	<b>393</b>	<b>4,399</b>	<b>4,006</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 111</b>	<b>\$ 393</b>		
<b>EXPENDITURES</b>				
Current				
Support Services				
Instruction	\$ 111	\$ 393	\$ 390	\$ 3
<b>TOTAL EXPENDITURES</b>	<b>\$ 111</b>	<b>\$ 393</b>	<b>\$ 390</b>	<b>\$ 3</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 4,399
Differences budget to GAAP	
Prior Year Receivable	(4,399)
Current Year Receivable	390
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 390</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 390
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 390</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 65,128	\$ 29,379	\$ (35,749)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>65,128</b>	<b>29,379</b>	<b>(35,749)</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 65,128</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 25,066	\$ 25,043	\$ 23
Support Services				
Students	-	40,062	40,062	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 65,128</b>	<b>\$ 65,105</b>	<b>\$ 23</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 29,379
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	35,726
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 65,105</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 65,105
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 65,105</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Aid	\$ 1,885	\$ 1,885	\$ -	\$ (1,885)
<b>TOTAL REVENUE</b>	<b>1,885</b>	<b>1,885</b>	<b>-</b>	<b>(1,885)</b>
<b>BUDGETED CASH BALANCE</b>	<b>-</b>	<b>-</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 1,885</b>	<b>\$ 1,885</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Support Services				
Instruction	\$ 1,885	\$ 1,885	\$ 1,563	\$ 322
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,885</b>	<b>\$ 1,885</b>	<b>\$ 1,563</b>	<b>\$ 322</b>

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 Deferra;	1,885
Current Year Deferral	(322)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 1,563</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 1,563
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 1,563</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue	\$ -	\$ 91,200	\$ 91,200	\$ -
<b>TOTAL REVENUE</b>	<b>-</b>	<b>91,200</b>	<b>91,200</b>	<b>-</b>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 91,200</b>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 90,724	\$ 26,690	\$ 64,034
Food Services	-	476	476	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 91,200</b>	<b>\$ 27,166</b>	<b>\$ 64,034</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 91,200
Differences budget to GAAP	
Prior year Receivable	(33,122)
Current Year Deferral	(30,912)
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 27,166</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 27,166
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 27,166</b>

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 LOCAL 31300	SPECIAL CAPITAL OUTLAY STATE 31400	SB9 CAPITAL IMPROVEMENTS 31700	ED TECH EQUIPMENT 31900	PSCO 20% 32100	COMBINED
<b>ASSETS</b>						
Cash on Deposit	\$ 116,209	\$ 4,250	\$ 147,083	\$ 97,818	\$ 749	\$ 366,109
Taxes receivable	-	-	17,979	-	-	17,979
Due from other Governments	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 116,209</b>	<b>\$ 4,250</b>	<b>\$ 165,062</b>	<b>\$ 97,818</b>	<b>\$ 749</b>	<b>\$ 384,088</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>						
Fund Balance						
Reserved:						
Reserved for inventory			-			-
Unreserved:						
Designated for subsequent year expenditures	116,209	4,250	165,062	97,818	749	384,088
<b>TOTAL FUND BALANCE</b>	<b>116,209</b>	<b>4,250</b>	<b>165,062</b>	<b>97,818</b>	<b>749</b>	<b>384,088</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$ 116,209</b>	<b>\$ 4,250</b>	<b>\$ 165,062</b>	<b>\$ 97,818</b>	<b>\$ 749</b>	<b>\$ 384,088</b>

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, 2010

	SPECIAL CAPITAL OUTLAY LOCAL 31300	SPECIAL CAPITAL OUTLAY STATE 31400	SB9 CAPITAL APROVEMENT 31700	ED TECH EQUIPMENT 31900	ED PSCO 20% 32100	COMBINED
<b>REVENUES</b>						
Federal Aid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Aid		55,624	16,684	10,765	-	83,073
Property Taxes			278,185	-	-	278,185
Local revenues	187,000	-	-	-	-	187,000
Interest	-	-	329	226	-	555
<b>TOTAL REVENUES</b>	<b>187,000</b>	<b>55,624</b>	<b>295,198</b>	<b>10,991</b>	<b>-</b>	<b>548,813</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
Instruction	-	-	-	-	-	-
Support Services						
Students	-	-	-	-	-	-
Instruction	-	-	-	-	-	-
General Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Facilities and construction	70,791	51,374	510,922	78,069	-	711,156
<b>TOTAL EXPENDITURES</b>	<b>70,791</b>	<b>51,374</b>	<b>510,922</b>	<b>78,069</b>	<b>-</b>	<b>711,156</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>116,209</b>	<b>4,250</b>	<b>(215,724)</b>	<b>(67,078)</b>	<b>-</b>	<b>(162,343)</b>
<b>FUND BALANCE- JUNE 30, 2009</b>	<b>-</b>	<b>-</b>	<b>380,786</b>	<b>164,896</b>	<b>749</b>	<b>546,431</b>
<b>FUND BALANCE - JUNE 30, 2010</b>	<b>\$ 116,209</b>	<b>\$ 4,250</b>	<b>\$ 165,062</b>	<b>\$ 97,818</b>	<b>\$ 749</b>	<b>\$ 384,088</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue				
Local Revenue	\$ -	\$ 71,000	\$ 187,000	\$ 116,000
Investment Income	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>71,000</u>	<u>\$ 187,000</u>	<u>\$ 116,000</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 71,000</u>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ -	\$ 71,000	\$ 70,791	\$ 209
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 71,000</u>	<u>\$ 70,791</u>	<u>\$ 209</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 187,000
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 187,000</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 70,791
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 70,791</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Revenue				
State Aid	\$ 72,969	\$ 72,969	\$ 77,646	\$ 4,677
Investment Income	-	-	-	-
<b>TOTAL REVENUE</b>	<u>72,969</u>	<u>72,969</u>	<u>\$ 77,646</u>	<u>\$ 4,677</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 72,969</u>	<u>\$ 72,969</u>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	\$ 72,969	\$ 72,969	\$ 51,374	\$ 21,595
<b>TOTAL EXPENDITURES</b>	<u>\$ 72,969</u>	<u>\$ 72,969</u>	<u>\$ 51,374</u>	<u>\$ 21,595</u>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 77,646
Differences budget to GAAP	
Prior Year receivable	(22,022)
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 55,624</u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 51,374
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 51,374</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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Local Revenue				
Taxes	\$ 310,456	\$ 310,456	\$ 273,336	\$ (37,120)
Insurance recoveries	-	-	-	
Investment Income	3,000	3,000	329	(2,671)
<b>TOTAL LOCAL REVENUE</b>	<b>313,456</b>	<b>313,456</b>	<b>273,665</b>	<b>(39,791)</b>
State Revenue				
State flowthrough	-	16,684	16,684	-
<b>TOTAL FEDERAL REVENUE</b>	<b>-</b>	<b>16,684</b>	<b>16,684</b>	<b>-</b>
<b>TOTAL REVENUE</b>	<b>313,456</b>	<b>330,140</b>	<b>\$ 290,349</b>	<b>\$ (39,791)</b>
<b>BUDGETED CASH BALANCE</b>	<b>371,071</b>	<b>371,071</b>		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 684,527</b>	<b>\$ 701,211</b>		
<b>EXPENDITURES</b>				
Current				
Facilities and construction	684,527	701,211	510,922	190,289
<b>TOTAL EXPENDITURES</b>	<b>\$ 684,527</b>	<b>\$ 701,211</b>	<b>\$ 510,922</b>	<b>\$ 190,289</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 290,349
Differences budget to GAAP	
Prior Year receivable	(13,130)
Change in deferred taxes	-
Current Year receivable	17,979
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 295,198</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 510,922
Differences-budget to GAAP	
Prior year accounts payable	-
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 510,922</b>

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, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Investment Income	\$ 2,000	\$ 2,000	\$ 226	\$ 1,774
State Revenue	-	-	10,765	10,765
<b>TOTAL REVENUE</b>	<b>2,000</b>	<b>2,000</b>	<b>\$ 10,991</b>	<b>\$ 12,539</b>
BUDGETED CASH BALANCE	138,930	138,930		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 140,930</b>	<b>\$ 140,930</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Facilities Acquisition & Construction	140,930	140,930	78,069	62,861
<b>TOTAL EXPENDITURES</b>	<b>\$ 140,930</b>	<b>\$ 140,930</b>	<b>\$ 78,069</b>	<b>\$ 62,861</b>

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

**Sources/Inflows of Resources**

Actual amounts (budgetary basis)	\$ 10,991
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 10,991</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis)	\$ 78,069
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 78,069</b>

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

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, 2010

	Balance June 30, 2009	Receipts	Disbursements	Balance June 30, 2010
<b>ASSETS</b>				
High School	\$ 65,513	\$ 80,735	\$ 77,206	\$ 69,042
Middle School	4,895	28,127	26,560	6,462
Elementary School	13,531	17,719	18,569	12,681
Pooled Cash and Investments	<u>\$ 83,939</u>	<u>\$ 126,581</u>	<u>\$ 122,335</u>	<u>\$ 88,185</u>
<b>LIABILITIES</b>				
Deposits held for others	<u>\$ 83,939</u>	<u>\$ 126,581</u>	<u>\$ 122,335</u>	<u>\$ 88,185</u>

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS  
 SCHEDULE OF PLEDGED COLLATERAL  
 June 30, 2010

	<u>Western Commerce Bank</u>
Cash on Deposit at June 30, 2009	\$ 1,446,444
Less FIDC Coverage	<u>250,000</u>
Uninsured Funds	1,196,444
50% Collateral Requirement	<u>598,222</u>
Amount Requiring Pledged Collateral	598,222
Pledged Collateral	<u>1,941,356</u>
Excess of Pledged Collateral	<u>\$ 1,343,134</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			
FNMA POOL # 796277	9/15/2015	31393MTT8	<u>1,941,356</u>
Total Western Bank			<u>\$ 1,941,356</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, 2010

	<u>Beginning Cash</u>	<u>Adjustments</u>	<u>Receipts</u>	<u>Distributions</u>
Loving Municipal Schools				
Operational Account	\$ 878,474	\$ -	\$ 5,130,582	\$ (5,191,328)
Transportation	1	-	150,098	(150,098)
Instructional Materials	47,610	-	31,559	(44,290)
Food Services	33,933	-	496,680	(409,255)
Athletics	15,231	-	40,537	(37,398)
Federal Flowthrough	7,234	(57,627)	641,216	(712,338)
Federal Direct	13,316	(13,773)	666,416	(731,780)
Local Grants Fund	8,958	-	-	(599)
State Flowthrough	14,788	(118,105)	239,397	(165,667)
State Direct Fund	-	-	-	-
Local/State	447	(33,122)	91,200	(27,167)
Bond Building	2,874,932	-	3,450	(1,724,653)
Special Capital Outlay - Local	-	-	187,000	(70,791)
Special Capital Outlay - State	-	(22,022)	77,646	(51,374)
Capital Improvement SB-9	367,656	-	290,349	(510,921)
ED Tech Equipment	164,896	-	10,991	(78,068)
20% Capital Outlay	749	-	-	-
Debt Service	448,184	-	465,180	(674,165)
Debt Service Ed Tech	174,946	-	66,821	(109,466)
Student Activities	83,939	-	126,581	(122,335)
	<u>\$ 5,135,294</u>	<u>\$ (244,649)</u>	<u>\$ 8,715,703</u>	<u>\$ (10,811,693)</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Loving Municipal Schools			
Operational	Checking	Western Comm	\$ 1,446,444
Investments	CD	NM State Treas	1,856,366
Total Loving Municipal Schools			<u>\$ 3,302,810</u>

Total Bank Balances	\$ 3,302,810
Reconciling Items	<u>(508,155)</u>
Report Balance	<u>\$ 2,794,655</u>

Other	Net Cash end of Period
\$ -	\$ 817,728
-	1
-	34,879
-	121,358
-	18,370
-	(121,515)
-	(65,821)
-	8,359
-	(29,587)
-	-
-	31,358
-	1,153,729
-	116,209
-	4,250
-	147,084
-	97,819
-	749
-	239,199
-	132,301
-	88,185
<u>\$ -</u>	<u>\$ 2,794,655</u>

STATE OF NEW MEXICO  
 LOVING MUNICIPAL SCHOOLS  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2010

<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	\$ 437,013
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	26,684
Total U.S. Department of Agriculture *			463,697
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Public Education Department			
Title I	84.010	24101	77,629
IDEA-B Entitlement	84.027	24106	128,977
IDEA-B Preschool	84.173	24109	6,847
21st Century Learning Center	84.048	24119	195,927
IDEA Reallocation	84.027	24120	1,432
Enhanced Education Through Technology	84.318	24149	40,447
Title V Innovative Ed	84.298	24150	140
Title III ELA	84.365	24153	23,024
Title II	84.367	24154	26,297
Safe & Drug free Schools	84.186	24157	2,124
Title I School Improvements	84.010	24162	40,000
Reading First	84.357	24167	51,851
C Perkins HSTW	84.048	24180	11,175
C Perkins HSTW Redistribution	84.048	24182	13,327
Title I Federal Stimulus	84.389	24201	42,704
IDEA Entitlement ARRA	84.391	24206	42,877
IDEA Preschool ARRA	84.392	24209	1,505
Education of Homeless Federal	84.387	24213	6,055
Headstart	93.600	25127	174,708
Title XIX Medicaid	93.778	25153	22,433
Rural Education Achievement Program	84.358	25233	28,313
SEG Federal Stimulus	84.394	25250	490,925
Headstart Federal Stimulus	93.600	25253	15,401
State Directed Activities	84.391	27200	65,105
Total Pass Through Grants			1,509,223
Total Federal Awards Expenditures			\$ 1,972,920

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

**RONNY FOUTS**  
**CERTIFIED PUBLIC ACCOUNTANT**  
P.O. Box 425  
Melrose, NM 88124

(575) 253-4554  
Fax: (575) 253-4727

---

**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  
Loving Municipal Schools and  
Board of Education  
Loving, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Loving Municipal Schools as of and for the year ended June 30, 2010, and have issued our report thereon dated October 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered 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 agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the agency's internal control over financial reporting.

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

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

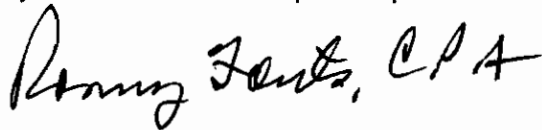
**Compliance and Other Matters**

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 disclose one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16 and Section 12-6-5 NMSA 1978, which is described in the accompanying schedule of findings and responses as finding 10-01.

The Loving Municipal School's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the agency'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 agency, the audit committee, the State Auditor, the New Mexico Legislature, 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.

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

Ronny Fouts, CPA  
Melrose, New Mexico  
October 22, 2010

**RONNY FOUTS**  
**CERTIFIED PUBLIC ACCOUNTANT**  
P.O. Box 425  
Melrose, NM 88124

(575) 253-4554  
Fax: (575) 253-4727

---

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditor's Report

Hector Balderas, State Auditor  
Loving Municipal School and  
Board of Education  
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, 2010. 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. 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, 2010.

Internal Control Over Compliance

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 opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-

133, 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 Loving Municipal School's internal control over compliance.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, Audit Committee, Management, the New Mexico State Legislature, Public Education Department, the Office of the New Mexico State Auditor, 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 with a horizontal line extending from the end.

Ronny Fouts, CPA  
Melrose, New Mexico  
October 22, 2010

STATE OF NEW MEXICO  
LOVING MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2010

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	Title I CFDA#84.010 SEG Federal Stimulus CFDA#84.394
Significant Deficiencies on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified
<u>II. FEDERAL PROGRAM FINDINGS:</u>	None

III. FINANCIAL STATEMENT FINDINGS:

III. SUMMARY OF PRIOR AUDIT FINDINGS:

None

IV. CURRENT FINDINGS

Late Audit Report 10-01

None

Condition

The audit report was filed by the due date of November 15, 2010, but because of changes required in the report the SAO office deemed the report to not be timely filed.

Criteria

According to the New Mexico State Auditor Rule 2.2.2.9 the audit report due date for this agency is November 15.

Cause

The report was timely filed by November 15, however, changes required by the Office of the State Auditor's office which were made after the due date of November 15, has deemed the report to be late.



STATE OF NEW MEXICO  
LOVING MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2010

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

Recommendation

The association and auditor will be more diligent to file the audit in the future.

Response

The audit will be filed timely in the future.

STATE OF NEW MEXICO  
Loving Municipal Schools

**Exit Conference**  
For the Year Ended June 30, 2010

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 Kris Baca, Superintendent, Mary Cherryhomes, Business Manager, Olga Onsurez, Finance Committee Member, Lynn Ballard, Audit Committee Member, Francisco Chacon, Audit Committee Member, and Ronny Fouts, CPA on October 19, 2010.

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

Ronny Fouts, CPA  
Melrose, New Mexico  
October 19, 2010