

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

FINANCIAL STATEMENTS
with
WITH INDEPENDENT AUDITOR'S REPORT THEREON

June 30, 2010



JOHNSON, MILLER & CO.

*Certified Public Accountants
A Professional Corporation*

An Independent Member of BDO Seidman Alliance

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

FINANCIAL STATEMENTS
with
WITH INDEPENDENT AUDITOR'S REPORT THEREON

June 30, 2010

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

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LOVINGTON MUNICIPAL SCHOOLS**

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**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Official Roster
June 30, 2010**

BOARD OF EDUCATION

Lynda McGinnes	President
LaRhonda Kidd	Vice-President
Enrique Contreras, Jr.	Clerk
Slick Duncan	Member
Ronny Reeder	Member

SCHOOL OFFICIALS

Steven L. O'Quinn	Superintendent
LeAnne Ellis	Assistant Superintendent
Sheri Belyeu, CPA	Business Manager

FINANCIAL SECTION



JOHNSON, MILLER & CO.
Certified Public Accountants
A Professional Corporation

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Hobbs, New Mexico
Midland, Texas
Odessa, Texas

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Lovington Municipal Schools
Lovington, NM

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the Lovington Municipal School District (the "District"), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons of the major capital project funds, debt service fund, and all nonmajor funds presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position thereof, and the budgetary comparison 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 District, as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all non major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2010 on our consideration of the District'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 the 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 read in conjunction with this report in considering the results of our audit.

The District has not presented a management's discussion and analysis that accounting principles accepted in the United States 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. 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 under supplementary 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, combining and individual fund financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and the basic financial statements taken as a whole.

Johnson, Miller & Co.

Johnson, Miller & Co
November 15, 2010

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Government-Wide
 Statement of Net Assets
 June 30, 2010

	Primary Governmental Activities
ASSETS	
Cash and cash equivalents (Note 3)	\$ 11,332,632
Investments (Note 3)	1,083,724
Receivables (Note 4)	1,983,965
Inventory	34,727
Bond issuance costs (net of accumulated amortization of \$56,557)	101,540
Capital assets, net (Note 6)	49,139,390
 Total assets	 \$ 63,675,978
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 439,748
Accrued payroll and related expenses	1,073,530
Accrued interest	251,438
Deferred revenue	336,424
Compensated absences - current portion (Note 7)	181,896
Noncurrent liabilities:	
Bond premium	109,085
Compensated absences - non current portion (Note 7)	113,963
Bonds payable: (Note 7)	
Due within one year	1,550,000
Due in more than one year	22,125,000
Total liabilities	26,181,084
Invested in capital assets, net of related debt	25,464,390
Restricted for:	
Debt service	3,094,552
Capital projects	5,144,259
Unrestricted	3,791,693
Total net assets	37,494,894
 Total liabilities and net assets	 \$ 63,675,978

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Government-Wide
 Statement of Activities
 For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental activities:			
Instruction	\$ 18,269,236	\$ 101,116	\$ 5,360,941
Support services:			
Students	2,998,375	-	99,398
Instruction	423,540	-	89
General administration	651,471	-	706,207
School administration	2,199,054	-	-
Central services	1,963,315	-	-
Operation & maint. of plant	2,736,528	-	-
Student transportation	1,142,751	-	1,101,598
Operation of non-instruction services:			
Food services	1,226,799	213,814	1,108,553
Community services	81,618	-	-
Inventory exempt-unallocated	1,480,422	-	-
Interest on long-term debt	919,655	-	-
Total primary government	\$ 34,092,764	\$ 314,930	\$ 8,376,786

General revenues:

- State equalization guarantee
- Sale of real property
- Property taxes:
 - General purposes
 - Debt service
 - Capital projects
- Oil and gas taxes:
 - General purposes
 - Debt service
 - Capital projects
- Unrestricted investment earnings
- Total general revenues
- Change in net assets
- Beginning net assets
- Net assets - end of year

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

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	
Capital Grants and Contributions	Governmental Activities
\$ -	\$ (12,807,179)
-	(2,898,977)
-	(423,451)
-	54,736
-	(2,199,054)
-	(1,963,315)
-	(2,736,528)
-	(41,153)
-	95,568
-	(81,618)
-	(1,480,422)
-	(919,655)
<u>\$ -</u>	<u>(25,401,048)</u>
	22,258,819
	8,029
	67,289
	515,166
	638,014
	290,870
	1,859,990
	2,325,646
	10,249
	<u>27,974,072</u>
	2,573,024
	34,921,870
	<u>\$ 37,494,894</u>

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Debt Service	Capital Outlay - Bond
ASSETS			
Cash and cash equivalents	\$ 3,332,343	\$ 2,792,386	\$ -
Investments	4,212	-	-
Accounts receivable:			
Taxes	48,811	316,856	-
Due from other governments	-	-	-
Due from other funds	1,488,685	-	53,269
Inventory	-	-	-
Advances to other funds	360,818	-	-
<i>Total assets</i>	<u>\$ 5,234,869</u>	<u>\$ 3,109,242</u>	<u>\$ 53,269</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts payable	\$ 2,571	\$ -	\$ -
Accrued liabilities	1,073,050	-	-
Accrued interest	-	-	-
Due to other funds	-	53,269	-
Deferred revenue:	2,528	21,117	-
Advances from other funds	-	-	-
<i>Total liabilities</i>	<u>1,078,149</u>	<u>74,386</u>	<u>-</u>
<i>Fund balances:</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	3,034,856	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
General Fund	-	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Undesignated, reported in:			
General Fund	4,156,720	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	53,269
<i>Total fund balances</i>	<u>4,156,720</u>	<u>3,034,856</u>	<u>53,269</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,234,869</u>	<u>\$ 3,109,242</u>	<u>\$ 53,269</u>

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

Capital Improvement SB-9	Other Governmental Funds	Total Governmental Funds
\$ 2,047,846	\$ 3,160,057	\$ 11,332,632
521,499	558,013	1,083,724
199,425	200,035	765,127
-	1,218,838	1,218,838
-	149,396	1,691,350
-	34,727	34,727
-	-	360,818
<u>\$ 2,768,770</u>	<u>\$ 5,321,066</u>	<u>\$ 16,487,216</u>

\$ 339,227	\$ 97,950	\$ 439,748
-	480	1,073,530
-	-	-
-	1,638,081	1,691,350
12,869	349,687	386,201
-	360,818	360,818
<u>352,096</u>	<u>2,447,016</u>	<u>3,951,647</u>

-	34,727	34,727
-	59,696	3,094,552

-	-	-
-	-	-
-	-	-
-	-	4,156,720
-	105,311	105,311
2,416,674	2,674,316	5,144,259
<u>2,416,674</u>	<u>2,874,050</u>	<u>12,535,569</u>
<u>\$ 2,768,770</u>	<u>\$ 5,321,066</u>	<u>\$ 16,487,216</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Reconciliation of Governmental Funds Balance Sheet
 to the Statement of Net Assets
 June 30, 2010

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

Fund balances - total governmental funds	\$	12,535,569
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net assets.</p>		
		49,139,390
<p>Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:</p>		
Property taxes		49,777
Bond issuance costs		101,540
<p>Other liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>		
Bond premium liability		(109,085)
Accrued interest expense		(251,438)
<p>Long-term liabilities, including bonds payable, capital leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund financial statements.</p>		
		(23,970,859)
Net assets of governmental activities in the statement of net assets	\$	37,494,894

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General Fund	Debt Service	Capital Outlay - Bond
REVENUES			
Property taxes	\$ 66,770	\$ 514,985	\$ -
Oil and gas taxes	290,870	1,859,990	-
Investment income	7,445	-	-
Food services	-	-	-
District activities	18,914	-	-
Insurance recoveries	600	-	-
Revenue from local sources	38,903	-	-
Revenue from state sources	23,515,170	-	-
Revenue from federal sources	20,981	-	-
Total revenues	23,959,653	2,374,975	-
EXPENDITURES			
Current:			
Instruction	13,523,995	-	-
Support services			
Students	2,255,427	-	-
Instruction	348,392	-	-
General administration	567,014	-	-
School administration	1,966,678	-	-
Central services	682,464	-	-
Operation and maintenance of plant	2,688,318	-	-
Student transportation	1,102,898	-	-
Operation of non instructional services			
Food services operations	-	-	-
Community services	716	-	-
Capital outlay	112,133	-	2,544,418
Debt service	-	2,169,504	-
Total expenditures	23,248,035	2,169,504	2,544,418
Excess (deficiency) of revenues over (under) expenditures	711,618	205,471	(2,544,418)
Other financing sources (uses)			
Increase (decrease) in inventory	-	-	-
Net changes in fund balances	711,618	205,471	(2,544,418)
Beginning fund balances,	3,445,102	2,829,385	2,597,687
Fund balances--end of the year	\$ 4,156,720	\$ 3,034,856	\$ 53,269

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

Capital Improvements SB-9	Other Governmental Funds	Total Governmental Funds
\$ 317,279	\$ 324,674	\$ 1,223,708
1,162,868	1,162,777	4,476,505
890	1,916	10,251
-	10,987	10,987
-	89,125	108,039
388,888	-	389,488
3,028	150	42,081
-	885,796	24,400,966
-	5,986,025	6,007,006
<u>1,872,953</u>	<u>8,461,450</u>	<u>36,669,031</u>
-	4,273,098	17,797,093
-	755,005	3,010,432
-	125,712	474,104
3,153	24,723	594,890
-	197,976	2,164,654
-	20,381	702,845
-	2,730	2,691,048
-	-	1,102,898
-	1,238,808	1,238,808
-	78,137	78,853
3,142,577	1,314,941	7,114,069
-	-	2,169,504
<u>3,145,730</u>	<u>8,031,511</u>	<u>39,139,198</u>
<u>(1,272,777)</u>	<u>429,939</u>	<u>(2,470,167)</u>
-	18,880	18,880
<u>(1,272,777)</u>	<u>448,819</u>	<u>(2,451,287)</u>
3,689,451	2,425,231	14,986,856
<u>\$ 2,416,674</u>	<u>\$ 2,874,050</u>	<u>\$ 12,535,569</u>

**STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Reconciliation of Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2010**

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

Net change in fund balances - total governmental funds	\$ (2,451,287)
--	----------------

Governmental funds reported capital outlay 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:

Capital expenditures	5,660,836
Depreciation expense	(1,887,990)

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

Change in deferred property tax revenue	(3,238)
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The issuance of long-term debt (e.g., bonds, notes, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Increase in the reserve for compensated absences	9,987
Increase in bond premium liability	(6,818)
Decrease in capitalized bond issue costs	(11,532)
Decrease in accrued interest payable	13,066
Principal payments on bonds	1,250,000
	1,250,000

Change in net assets of governmental activities	\$ <u><u>2,573,024</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 335,694	\$ 335,694	\$ 337,524	\$ 1,830
Investment income	3,000	3,000	7,442	4,442
District activities	5,000	5,000	18,914	13,914
Insurance recoveries	-	-	600	600
Revenue from local sources	21,000	21,000	38,903	17,903
Revenue from state sources	23,917,399	23,681,182	23,515,170	(166,012)
Revenue from federal sources	15,000	15,000	20,981	5,981
Sale of real property	-	-	-	-
<i>Total revenues</i>	24,297,093	24,060,876	23,939,534	(121,342)
EXPENDITURES				
Instruction:				
Personnel services - compensation	9,455,734	9,247,868	9,213,253	34,615
Personnel services - employee benefits	3,059,568	3,118,707	2,977,646	141,061
Other purchased services	539,041	884,448	653,984	230,464
Supplies	1,783,707	997,306	658,453	338,853
Property	19,044	23,824	21,451	2,373
Total instruction	14,857,094	14,272,153	13,524,787	747,366
Support services - student:				
Personnel services - compensation	1,689,765	1,358,105	1,328,861	29,244
Personnel services - employee benefits	477,091	429,662	423,411	6,251
Purchased professional & technical services	-	-	-	-
Purchased property services	646	1,157	884	273
Other purchased services	34,036	375,181	319,182	55,999
Supplies	113,000	184,729	183,089	1,640
Property	-	-	-	-
Total support services - student	2,314,538	2,348,834	2,255,427	93,407
Support services - instruction:				
Personnel services - compensation	204,724	201,724	201,724	-
Personnel services - employee benefits	93,376	85,822	84,083	1,739
Purchased professional & technical services	-	-	-	-
Purchased property services	-	-	-	-
Other purchased services	2,461	2,637	2,154	483
Supplies	43,614	62,119	60,432	1,687
Property	-	-	-	-
Total support services - instruction	344,175	352,302	348,393	3,909

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services - general administration:				
Personnel services - compensation	328,747	329,548	326,171	3,377
Personnel services - employee benefits	109,897	103,633	101,457	2,176
Purchased professional & technical services	77,870	70,393	60,618	9,775
Other purchased services	35,481	58,512	47,545	10,967
Supplies	30,228	32,228	30,765	1,463
Property	712	712	459	253
Total support services - general admin.	582,935	595,026	567,015	28,011
Support services - school administration:				
Personnel services - compensation	1,548,644	1,452,561	1,422,620	29,941
Personnel services - employee benefits	466,013	462,445	430,070	32,375
Purchased property services	-	-	-	-
Purchased professional & technical services	2,630	29,510	2,893	26,617
Other purchased services	28,030	67,791	63,226	4,565
Supplies	57,723	60,033	47,868	12,165
Property	-	-	-	-
Total support services - school admin.	2,103,040	2,072,340	1,966,677	105,663
Support services - central services:				
Personnel services - compensation	446,786	459,523	459,509	14
Personnel services - employee benefits	106,152	133,858	133,727	131
Purchased professional & technical services	2,528	38,135	38,121	14
Purchased property services	126	256	256	-
Other purchased services	7,754	2,524	2,353	171
Supplies	65,930	55,580	48,499	7,081
Property	-	-	-	-
Total support services - central serv.	629,276	689,876	682,465	7,411
Support services - operation and maintenance of plant:				
Personnel services - compensation	875,321	958,988	952,699	6,289
Personnel services - employee benefits	401,912	383,555	379,400	4,155
Purchased property services	1,109,602	919,820	773,035	146,785

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Other purchased services	491,633	531,223	494,075	37,148
Supplies	96,630	85,430	65,793	19,637
Purchased professional & technical services	6,548	23,630	23,315	315
Total support services - operation and maintenance of plant	2,981,646	2,902,646	2,688,317	214,329
Operation of non instructional services - community services:				
Personnel services - compensation	-	665	665	-
Personnel services - employee benefits	-	52	51	1
Other purchased services	-	-	-	-
Total operation of non instructional services - community services	-	717	716	1
Support services - student transportation:				
Personnel services - compensation	33,575	34,050	34,050	-
Personnel services - employee benefits	7,970	8,934	8,662	272
Purchased professional & technical services	50,916	46,347	1,647	44,700
Purchased property services	191,248	167,756	167,730	26
Other purchased services	854,168	889,166	889,159	7
Supplies	350	1,650	1,650	-
Total support services - student transportation	1,138,227	1,147,903	1,102,898	45,005
Capital outlay	386,464	673,818	112,133	561,685
<i>Total expenditures</i>	25,337,395	25,055,615	23,248,828	1,806,787
<i>Excess (deficiency) of revenues over expenditures</i>	(1,040,302)	(994,739)	690,706	1,685,445

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<i>Other financing sources (uses):</i>				
Designated cash balance	864,163	2,317,230	-	(2,317,230)
<i>Total other financing sources (uses)</i>	<u>864,163</u>	<u>2,317,230</u>	<u>-</u>	<u>(2,317,230)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(176,139)	1,322,491	690,706	(631,785)
<i>Prior year cash balance</i>	<u>3,406,936</u>	<u>3,406,936</u>	<u>3,406,936</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ 3,230,797</u>	<u>\$ 4,729,427</u>	<u>\$ 4,097,642</u>	<u>\$ (631,785)</u>

RECONCILIATION TO GAAP

Adjustments:

Deferred revenue	(182)
Accounts payable	(2,571)
Receivables	23,665
Net change in fund balance (GAAP basis)	<u>\$ 711,618</u>

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
<i>Current assets</i>	
Cash	\$ 274,855
	<u> </u>
LIABILITIES	
<i>Current liabilities</i>	
Deposits held in trust for others	\$ 274,855
	<u> </u>

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Lovington Municipal School District (the "District") is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Lovington and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. Based on the criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the District is considered to be an independent reporting entity and has no component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Funds – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service – 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.

Capital Improvements SB-9 – The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Capital Outlay Fund – The capital outlay fund is used, to account for resources received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities.

Additionally, the government reports the following fund types:

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

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Notes to the Financial Statements
June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Debt Service Funds – Debt service funds account for accumulation of resources for general long-term debt repayment.

Fiduciary Funds - The District's only fiduciary fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

1. Deposits and Investments (continued)

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. The assessed valuation for the 2010 fiscal year was \$160,634,813. Mill levy rates are set by the State of New Mexico each year for the General Fund, HB-33 Capital Improvements Fund, SB-9 Capital Improvements Fund, Debt Service Fund, and the Education Technology Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, the District does not construct or maintain infrastructure assets, accordingly, the District is not subject to this provision of GASB Statement No. 34. Donated capital assets are recorded at

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

4. Capital Assets (continued)

estimated fair market value at the date of donation. Library books are not capitalized but are expensed during the year of purchase.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building Improvements	20
Vehicles	2-15
Equipment and Software	3-15

5. Deferred Revenue

Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the special revenue funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

6. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused sick leave is accrued at 50% of days accumulated at a rate of \$50 per day for employees who retire with at least ten years of service. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The accrued leave at June 30, 2010 was \$295,859.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

7. Long-Term Obligations (continued)

In the fund financial statements, current portions of debt that will mature early in the following year are reported as current liabilities. In addition, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net Assets and Fund Balance

Equity is classified as net assets in three components:

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Estimates

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

10. Indirect Costs

The District's general fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the special revenue funds. They are shown as expenditures in the special revenue funds, and as other special federal revenue in the general fund.

E. Revenues

1. State Equalization Guarantee:

School districts in the State of New Mexico receive a state equalization guarantee distribution which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size; etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$22,258,819 in state equalization guarantee distributions during the year ended June 30, 2010.

2. Transportation Distribution:

School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,101,598 in transportation distributions during the year ended June 30, 2010.

3. Tax Revenues:

The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District recognized \$5,696,975 in tax revenues during the year ended June 30, 2010. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis. (i.e., each budgeted expenditure must be within budgeted amounts.) Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

1. In April or May, the Superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2010 was properly amended by the Board throughout the year. New Mexico state law prohibits a school district to exceed a function line item.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State Investment requirements as of June 30, 2010.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit. At June 30, 2010, there were no investments in non-demand interest-bearing accounts.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States Government, or by their departments or agencies, and which are either direct obligations of the State or United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Custodial Credit Risk – Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As June 30, 2010, \$12,329,421 of the District's bank balances were exposed to custodial credit risk as follows:

	District
Insured (FDIC)	\$ 865,357
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District's name	10,499,547
Uninsured and uncollateralized	964,517
Balance exposed to custodial credit risk	\$ 12,329,421
Total bank balances	\$ 12,329,421
 Carrying Amount	 \$ 11,607,487

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

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 funds in securities that are issued by the

United States Government or by its departments or agencies and are either backed by the full faith and credit of the United States Government or are agencies sponsored by 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; 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 of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary. The State Treasurer issues separate financial statements that disclose the collateral pledged to secure these deposits. At June 30, 2010, the New MexiGROW Local Government Investment Pool was rated at AAAM and was considered a 50-day WAM. The District had \$1,083,724 invested in the New MexiGROW Local Government Investment Pool at June 30, 2010.

Collateral Pledged

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution, and one hundred two percent of the amount in overnight repurchase accounts on deposit with the institution. The schedule listed below will meet the State of New Mexico Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Western Commerce Bank	Lea County State Bank	Wells Fargo Bank	Total
Total amount of deposits	\$ 4,139,913	\$ 333,682	\$7,855,825	\$12,329,421
FDIC coverage	365,357	250,000	250,000	865,357
Total uninsured public funds	<u>\$ 3,774,556</u>	<u>\$ 83,682</u>	<u>\$7,605,825</u>	<u>\$11,464,064</u>
Collateral requirement (50% of uninsured public funds)	\$ 1,887,278	\$41,841	\$ 3,802,913	\$ 5,732,032
Pledged securities	3,129,858	500,000	6,813,734	10,443,592
Over (under) collateralization	<u>\$ 1,242,580</u>	<u>\$ 458,159</u>	<u>\$ 3,010,821</u>	<u>\$ 4,711,560</u>

The collateral pledged is listed on Page 157-158 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Notes to the Financial Statements
June 30, 2010

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the District's balance sheet as follows:

	<u>District</u>
Carrying amount - Deposits	\$ 11,607,487
Less amounts included in agency funds	(274,855)
Total	<u>\$ 11,332,632</u>
Included in the following balance sheet captions:	
Cash and cash equivalents	<u>\$ 11,332,632</u>

Interest Rate Risk – The District does not currently have an investment policy to minimize interest rate risk.

Credit Risk – As previously stated, State statutes allow the District to invest funds in a wide variety of instruments. However, at June 30, 2010 the District had limited the majority of its investments to those back by the full faith and credit of the United States government. In addition, the investments in agencies of the United States were rated AAA by Standard & Poor's.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District requires all investment securities to be held in third-party safekeeping by an institution acceptable to the District. The safekeeping institution is required to issue a safekeeping receipt or book entry notice to the District listing the specific instrument, rate, amount, maturity date, instrument number, term and other pertinent information. In addition, any financial institution holding securities for the benefit of the District is required to provide insurance sufficient to cover 100% of the securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer. However, as previously illustrated, 100% of the District's investments are backed by the full faith and credit of the United States government. These types of investments are considered to have minimal risk associated with them

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 4: RECEIVABLES

Receivables as of June 30, 2010 for the government's individual major funds and non-major funds in the aggregate, include the following:

	General	Capital Outlay	Debt Service	Other	Total
Receivables:					
Property taxes	\$ 3,729	\$ 38,792	\$ 31,360	\$ -	\$ 73,881
Oil & gas taxes	45,082	360,668	285,496	-	691,246
Due from other govts	-		-	1,218,838	1,218,838
	<u>\$ 48,811</u>	<u>\$ 399,460</u>	<u>\$ 316,856</u>	<u>\$ 1,218,838</u>	<u>\$ 1,983,965</u>

NOTE 5: INTERFUND RECEIVABLES

Interfund balances represent short-term advances to funds that receive grants on a reimbursement basis. The composition of interfund balances during the year ended June 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Reading First	\$ 380,358
General Fund	Migrant Children Education	16,668
General Fund	IDEA-B Entitlement	28,348
General Fund	IDEA-B Preschool	286
General Fund	Title I 1003 G	7,202
General Fund	English Language Acquisition	72,848
General Fund	Title I-IASA	46,768
General Fund	Teacher/Principal Training	4,417
General Fund	Rural and Low Income	2,881
General Fund	Title I School Improvement	20,173
General Fund	Title I IASA-Federal Stimulus	24,598
General Fund	IDEA-B Entitlement-Federal Stimulus	64,449
General Fund	IDEA-B Preschool-Federal Stimulus	3,279
General Fund	Education of Homeless-Federal Stimulus	89
General Fund	Medicaid XIX	27,489
General Fund	SEG-Federal Stimulus	610,839
General Fund	GO Student Library Funds	63
General Fund	Truancy Initiative PED	4,835
General Fund	School Improvement Framework	15,991
General Fund	Libraries SB-301 GO Bonds	23,338
General Fund	Schools in Need of Improvement	87,728
General Fund	Gear Up CHE	46,040
Schools in Need of Improvement	Title III-Immigrant	24,657
Special Capital Outlay	Adequacy Tech Grant	124,737
Bond Capital Outlay	Debt Service Fund	53,269
		<u>\$ 1,691,350</u>

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 5: INTERFUND RECEIVABLES (continued)

Interfund balances represent long-term advances to funds that failed to receive reimbursement for grants on a reimbursement basis. The composition of interfund balances during the year ended June 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Reading First	170,399
General Fund	Libraries GO Bonds	635
General Fund	Migrant Children Education	29,250
General Fund	IDEA-B Preschool	600
General Fund	Title III Incentive Awards	3,041
General Fund	Enhancing Education Through Tech	5,754
General Fund	Title V - A	4,942
General Fund	English Language Acquisition	46,343
General Fund	Jobs for Graduates	48,573
General Fund	Carl Perkins High School	10,060
General Fund	TANF/GRADS	41,191
General Fund	GEAR-UP USDE	30
		<u>\$ 360,818</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance 06/30/09	Increases	Decreases/ Adjustments	Ending Balance 06/30/10
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 73,609	\$ -	\$ -	\$ 73,609
Capital assets, being depreciated:				
Buildings and improvements	95,665,109	5,205,236	-	100,870,345
Equipment	8,724,061	101,417	(4,886,523)	3,938,955
Vehicles	1,346,087	178,299	-	1,524,386
Intangibles	-	175,884	-	175,884
Total at historical cost	105,808,866	5,660,836	(4,886,523)	106,583,179
Less Accumulated Depreciation:				
Buildings and improvements	(52,645,047)	(1,247,908)	-	(53,892,955)
Equipment	(6,730,389)	(523,166)	4,886,523	(2,367,032)
Vehicles	(1,066,886)	(81,426)	-	(1,148,312)
Intangibles	-	(35,490)	-	(35,490)
Total accumulated depreciation	(60,442,322)	(1,887,990)	4,886,523	(57,443,789)
Governmental activities capital assets, net	\$ 45,366,544	\$3,772,846	\$ -	\$ 49,139,390

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 6: CAPITAL ASSETS (continued)

Depreciation expense for the year ended June 30, 2010 was charged to the following functions:

	District
Instruction	\$ 432,085
Support services:	
Students	4,096
Instruction	21,125
School administration	27,067
General administration	61,440
Central services	1,260,470
Operation and maintenance of plant	34,359
Student transportation	39,853
Food services	4,730
Community services	2,765
Total depreciation expense	\$ 1,887,990

NOTE 7: LONG – TERM DEBT

General Obligation Bonds – the District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the District boundaries. Bonds outstanding as of June 30, 2010 are comprised of the following:

	Original Amount	Interest Rates	Balance 06/30/10
Series 2002 General Obligation Bond	5,300,000	6.1%	4,225,000
Series 2003 General Obligation Bond	4,700,000	2.4-4.0%	3,750,000
Series 2007 General Obligation Bond	8,500,000	4.0%	7,900,000
Series 2008 General Obligation Bond	8,000,000	3.0%	7,800,000
Total General Obligation Bonds	\$ 26,500,000		\$ 23,675,000

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 7: LONG – TERM DEBT (continued)

Year Ending June 30,	Principal	Interest	Total Requirements
2011	1,550,000	1,160,900	2,710,900
2012	1,700,000	800,612	2,500,612
2013	1,700,000	736,684	2,436,684
2014	1,750,000	671,666	2,421,666
2015-2019	11,375,000	2,152,012	13,527,012
2020-2023	5,600,000	260,550	5,860,550
Total	\$ 23,675,000	\$ 5,782,424	\$ 29,457,424

Changes in long-term liabilities – During the year ended June 30, 2010, the following changes occurred in liabilities reported in the general obligation bonds and compensated absences.

	Balance 06/30/09	Additions	Retirements	Balance 06/30/10	Due Within One Year
2002 Series	4,575,000	-	(350,000)	4,225,000	425,000
2003 Series	4,350,000	-	(600,000)	3,750,000	500,000
2007 Series	8,000,000	-	(100,000)	7,900,000	300,000
2008 Series	8,000,000	-	(200,000)	7,800,000	325,000
Compensated Absences	305,846	171,909	(181,896)	295,859	181,896
Total Long-Term Liabilities	\$ 25,230,846	\$ 171,909	\$ (1,431,896)	\$ 23,970,859	\$ 1,731,896

Compensated absences typically have been liquidated in the general and other governmental funds. Total interest expense on outstanding bonds for the year ended June 30, 2010 was \$919,655.

NOTE 8: RISK MANAGEMENT

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 or each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 8: RISK MANAGEMENT (continued)

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2010, there have been no claims that have exceeded insurance coverage.

NOTE 9: PENSION PLAN-EDUCATIONAL RETIREMENT BOARD

Plan Description – Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502-6129. The report is also available on ERB's website at www.nmerb.org.

Funding Policy – Plan members are required to contribute 7.75% of their gross salary. The District is required to contribute 10.15% of the gross covered salary. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to the ERA for the years ended June 30, 2010, 2009, and 2008 were: \$1,850,215, \$1,851,797, and \$1,650,044 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 10: POST-EMPLOYMENT BENEFITS-STATE RETIREE HEALTH CARE PLAN

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

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

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 10: POST-EMPLOYMENT BENEFITS-STATE RETIREE HEALTH CARE PLAN (continued)

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator of the plan.

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 members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employees and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary.

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

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

The District's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008, were \$216,847, \$206,650, and \$198,503 in employer contributions and \$108,424, \$103,325 and \$99,252, in employee contributions, respectively, which equal the required contributions for each year.

NOTE 11: CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 12: ACCOUNTING STANDARDS

In August 2005, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is effective for financial statements for periods beginning after June 30, 2008. The statement establishes uniform financial reporting standards for OPEB plans and supersedes the interim guidance included in Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*. The approach followed in this Statement generally is consistent with the approach adopted in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, with modifications to reflect differences between pension plans and OPEB plans. The District believes this had no significant effect on the financial statements for the current year.

In August 2005, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 is effective for financial statements for the periods beginning after June 30, 2008. This statement establishes standards for the measurement, recognition, and display of OPEB, expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The required disclosures have been made for current year.

In December 2007, the Governmental Accounting Standards Board (GASB) issued Statement No. 49, *Pollution Remedial Obligations*. This statement is effective for financial statements for the periods beginning after December 15, 2008. This statement establishes accounting standards for the recognition and reporting of liabilities related to environmental clean-up efforts. The District believes this had no significant effect on the financial statements for the current year.

In June 2007, the Governmental Accounting Standards Board (GASB) issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB Statement No. 51 is effective for financial statements for the periods beginning after June 15, 2009. This statement establishes standards for the measurement, recognition, and amortization of intangible assets and is required to be applied retroactively for phase 1 or phase 2 governments for implementing GASB 34. The District was classified as a phase 2 government and has evaluated and included any material intangible assets as of June 30, 2010. The District will continue to evaluate the impact this statement will have in upcoming years.

In June 2008, the Governmental Accounting Standards Board (GASB) issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement No. 53 is effective for financial statements for the periods beginning after June 15, 2009. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The District believes it has no significant effect on the financial statements for June 30, 2010.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 13: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures as part of the combined statements of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

Migrant Children Education	\$	29,250
IDEA-B Preschool		600
Title III-Incentive Awards		3,041
Enhancing Education through Tech		5,754
Title V-Part A		4,942
English Language Acquisition		46,343
Reading First		170,398
Jobs for Americas Graduates		48,573
Carl D. Perkins High Schools		10,060
Medicaid XIX		9,058
TANF/GRADS HSD		41,192
GEAR UP USDE		30
Libraries GO Bonds		<u>635</u>
Total	\$	<u>369,876</u>

B. Excess of expenditures over appropriations.

For the fiscal year ended June 30, 2010, expenditures exceed appropriations in the following funds:

	Final Budget	Actual Amounts	Variance with Final Budget
TANF/GRADS HSD			
Instruction	\$ 8,000	\$ 9,414	\$ (1,414)
Adequacy Tech Equity Grant			
Instruction	-	3,847	(3,847)
Capital outlay	-	199	(199)

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2010**

NOTE 14: SCHEDULE OF APPROPRIATIONS

The District has the following bond appropriations related to capital projects at June 30, 2010:

Original Appropriation	Balance at June 30, 2009	Expended in 2009-2010	Unexpended Balance	Appropriation Period
\$ 125,000	\$ 405	\$ 405	\$ 0	July 1, 2007 to June 30, 2011
100,000	67,704	67,704	0	July 1, 2007 to June 30, 2011
50,000	26,475	26,475	0	July 1, 2007 to June 30, 2011
75,000	75,000	75,000	0	July 1, 2008 to June 30, 2010
75,000	75,000	75,000	0	July 1, 2008 to June 30, 2012
50,000	50,000	50,000	0	July 1, 2008 to June 30, 2010
<u>\$ 475,000</u>	<u>\$ 294,584</u>	<u>\$ 294,584</u>	<u>\$ 0</u>	

NOTE 15: CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At June 30, 2010, the District had several uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was \$759,345.

NOTE 16: 403(B) RETIREMENT PLAN

The District maintains a defined contribution 403(b) retirement plan. All employees who work 1,000 hours or more are eligible to contribute up to the maximum yearly amount. The District does not match contributions. Employee contributions for the year ended June 30, 2010 were \$45,296.

NOTE 17: SUBSEQUENT EVENTS

During the fiscal year ended June 30, 2010, it was discovered that the payroll clerk was embezzling funds from the District. It appears to have occurred during the fiscal year ending June 30, 2009 and 2010. The amount of funds embezzled was \$17,773. Charges were filed against the former employee. The former employee entered into a restitution agreement to pay the District \$400 per month.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS DISTRICT
Combining Balance Sheet
General Fund
June 30, 2010

	Operational	Transportation	Instructional Materials	Total General Fund
ASSETS				
Cash and cash equivalents	\$ 3,174,006	\$ 994	\$ 157,343	\$ 3,332,343
Investments	4,212	-	-	4,212
Receivables:				
Taxes	48,811	-	-	48,811
Due from other governments	-	-	-	-
Due from other funds	1,488,685	-	-	1,488,685
Advances to other funds	360,818	-	-	360,818
	<u>5,076,532</u>	<u>994</u>	<u>157,343</u>	<u>5,234,869</u>
Total assets	<u>\$ 5,076,532</u>	<u>\$ 994</u>	<u>\$ 157,343</u>	<u>\$ 5,234,869</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,571	\$ -	\$ -	\$ 2,571
Accrued payroll	1,073,050	-	-	1,073,050
Deferred revenue	2,528	-	-	2,528
Total liabilities	<u>1,078,149</u>	<u>-</u>	<u>-</u>	<u>1,078,149</u>
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	-	-	-	-
Unreserved:				
Designated for subsequent				
year's expenditures				
reported in:				
General fund	-	-	-	-
Transportation	-	-	-	-
Instructional materials	-	-	-	-
Undesignated, reported in:				
General fund	3,998,383	-	-	3,998,383
Transportation	-	994	-	994
Instructional materials	-	-	157,343	157,343
<i>Total fund balances</i>	<u>3,998,383</u>	<u>994</u>	<u>157,343</u>	<u>4,156,720</u>
Total liabilities and fund balances	<u>\$ 5,076,532</u>	<u>\$ 994</u>	<u>\$ 157,343</u>	<u>\$ 5,234,869</u>

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2010

	Operational	Transportation	Instructional Materials	Total General Fund
REVENUES				
Property taxes	\$ 66,770	\$ -	\$ -	\$ 66,770
Oil and gas taxes	290,870	-	-	290,870
District activities	18,914	-	-	18,914
Insurance recoveries	600	-	-	600
Revenue from local sources	38,903	-	-	38,903
Revenue from state sources	22,258,819	1,101,598	154,753	23,515,170
Revenue from federal sources	20,981	-	-	20,981
Investment income	7,445	-	-	7,445
Total revenues	<u>22,703,302</u>	<u>1,101,598</u>	<u>154,753</u>	<u>23,959,653</u>
EXPENDITURES				
Current:				
Instruction	13,327,712	-	196,283	13,523,995
Support services:				
Students	2,255,427	-	-	2,255,427
Instruction	341,515	-	6,877	348,392
General administration	567,014	-	-	567,014
School administration	1,966,678	-	-	1,966,678
Central services	682,464	-	-	682,464
Operation and maintenance of plant	2,688,318	-	-	2,688,318
Student transportation	1,300	1,101,598	-	1,102,898
Operation of non instructional services:				
Community services	716	-	-	716
Food services operations	-	-	-	-
Capital outlay	112,133	-	-	112,133
Total expenditures	<u>21,943,277</u>	<u>1,101,598</u>	<u>203,160</u>	<u>23,248,035</u>
Excess (deficiency) of revenues over expenditures	<u>760,025</u>	<u>-</u>	<u>(48,407)</u>	<u>711,618</u>
Other financing sources (uses)				
Transfers (in) out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	760,025	-	(48,407)	711,618
Fund balances - beginning of year	<u>3,238,358</u>	<u>994</u>	<u>205,750</u>	<u>3,445,102</u>
Fund balances - end of year	<u>\$ 3,998,383</u>	<u>\$ 994</u>	<u>\$ 157,343</u>	<u>\$ 4,156,720</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Operational
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 335,694	\$ 335,694	\$ 337,524	\$ 1,830
Investment income	3,000	3,000	7,442	4,442
District activities	5,000	5,000	18,914	13,914
Insurance recoveries	-	-	600	600
Revenue from local sources	21,000	21,000	38,903	17,903
Revenue from state sources	22,749,506	22,251,583	22,258,819	7,236
Revenue from federal sources	15,000	15,000	20,981	5,981
Sale of real property	-	-	-	-
<i>Total revenues</i>	<u>23,129,200</u>	<u>22,631,277</u>	<u>22,683,183</u>	<u>51,906</u>
EXPENDITURES				
Instruction:				
Personnel services - compensation	9,455,734	9,247,868	9,213,252	34,616
Personnel services - employee benefits	3,059,568	3,118,707	2,977,646	141,061
Other purchased services	539,041	884,448	653,984	230,464
Supplies	1,661,455	677,222	462,171	215,051
Property	19,044	23,824	21,451	2,373
Total instruction	<u>14,734,842</u>	<u>13,952,069</u>	<u>13,328,504</u>	<u>623,565</u>
Support services - student:				
Personnel services - compensation	1,689,765	1,358,105	1,328,861	29,244
Personnel services - employee benefits	477,091	429,662	423,411	6,251
Purchase prof. & tech. services	-	-	-	-
Purchased property services	646	1,157	884	273
Other purchased services	34,036	375,181	319,182	55,999
Supplies	113,000	184,729	183,089	1,640
Property	-	-	-	-
Total support services - student	<u>2,314,538</u>	<u>2,348,834</u>	<u>2,255,427</u>	<u>93,407</u>
Support services - instruction:				
Personnel services - compensation	204,724	201,724	201,724	-
Personnel services - employee benefits	93,376	85,822	84,083	1,739
Purchase prof. & tech. services	-	-	-	-
Purchased property services	-	-	-	-
Other purchased services	2,461	2,637	2,154	483
Supplies	43,614	54,202	53,555	647
Property	-	-	-	-
Total support services - instruction	<u>344,175</u>	<u>344,385</u>	<u>341,516</u>	<u>2,869</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Operational
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - general administration:				
Personnel services - compensation	328,747	329,548	326,171	3,377
Personnel services - employee benefits	109,897	103,633	101,457	2,176
Purchased professional & technical services	77,870	70,393	60,618	9,775
Other purchased services	35,481	58,512	47,545	10,967
Supplies	30,228	32,228	30,765	1,463
Property	712	712	459	253
Total support services - general admin	582,935	595,026	567,015	28,011
Support services - school administration:				
Personnel services - compensation	1,548,644	1,452,561	1,422,620	29,941
Personnel services - employee benefits	466,013	462,445	430,070	32,375
Purchase prof. & tech. services	2,630	29,510	2,893	26,617
Purchased property services	-	-	-	-
Other purchased services	28,030	67,791	63,226	4,565
Supplies	57,723	60,033	47,868	12,165
Property	-	-	-	-
Total support services - school admin.	2,103,040	2,072,340	1,966,677	105,663
Support services - central services:				
Personnel services - compensation	446,786	459,523	459,509	14
Personnel services - employee benefits	106,152	133,858	133,727	131
Purchased professional & technical services	2,528	38,135	38,121	14
Purchased property services	126	256	256	-
Other purchased services	7,754	2,524	2,353	171
Supplies	65,930	55,580	48,499	7,081
Property	-	-	-	-
Total support services - central serv.	629,276	689,876	682,465	7,411

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Operational
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - operation and maintenance of plant:				
Personnel services - compensation	875,321	958,988	952,699	6,289
Personnel services - employee benefits	401,912	383,555	379,400	4,155
Purchased professional & technical services	6,548	23,630	23,315	315
Purchased property services	1,109,602	919,820	773,035	146,785
Other purchased services	491,633	531,223	494,075	37,148
Supplies	96,630	85,430	65,793	19,637
Property	-	-	-	-
Total support services - operation and maintenance of plant	<u>2,981,646</u>	<u>2,902,646</u>	<u>2,688,317</u>	<u>214,329</u>
Support services - community services:				
Personnel services - compensation	-	665	665	-
Personnel services - employee benefits	-	52	51	1
maintenance of plant	-	717	716	1
Support services - other support:				
Debt service and miscellaneous	-	-	-	-
Total support services - other support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operation of non instructional services:				
Other purchased services-transportaion	34	1,334	1,300	34
Other purchased services-food service	2,000	1,283	-	1,283
Total transportation services	<u>2,034</u>	<u>2,617</u>	<u>1,300</u>	<u>1,317</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Operational
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Capital outlay	386,464	673,818	112,133	561,685
Non-operating	-	-	-	-
<i>Total expenditures</i>	<u>24,078,950</u>	<u>23,582,328</u>	<u>21,944,070</u>	<u>1,638,258</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(949,750)</u>	<u>(951,051)</u>	<u>739,113</u>	<u>1,690,164</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	2,012,875	2,012,875	-	(2,012,875)
<i>Total other financing sources (uses)</i>	<u>2,012,875</u>	<u>2,012,875</u>	<u>-</u>	<u>(2,012,875)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	1,063,125	1,061,824	739,113	(322,711)
<i>Prior year cash balance</i>	<u>3,200,193</u>	<u>3,200,193</u>	<u>3,200,193</u>	<u>3,200,193</u>
<i>End of year cash balance</i>	<u>\$ 4,263,318</u>	<u>\$ 4,262,017</u>	<u>\$ 3,939,306</u>	<u>\$ 2,877,482</u>

RECONCILIATION TO GAAP

Adjustments:	
Deferred revenue	(182)
Accounts payable	(2,571)
Receivables	23,665
Net change in fund balance (GAAP basis)	<u>\$ 760,025</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Transportation
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	\$ 1,045,641	\$ 1,101,598	\$ 1,101,598	\$ -
<i>Total revenues</i>	<u>1,045,641</u>	<u>1,101,598</u>	<u>1,101,598</u>	<u>-</u>
EXPENDITURES				
Support services:				
Student transportation	1,045,641	1,101,598	1,101,598	-
<i>Total expenditures</i>	<u>1,045,641</u>	<u>1,101,598</u>	<u>1,101,598</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year cash balance</i>	994	994	994	994
<i>End of year cash balance</i>	<u>\$ 994</u>	<u>\$ 994</u>	<u>\$ 994</u>	<u>\$ 994</u>

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Instructional Materials
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
Revenues from state sources	122,252	328,001	154,753	(173,248)
<i>Total revenues</i>	<u>122,252</u>	<u>328,001</u>	<u>154,753</u>	<u>(173,248)</u>
EXPENDITURES				
Instruction	122,252	320,084	196,283	123,801
Support services:				
Instruction	-	7,917	6,877	1,040
<i>Total expenditures</i>	<u>122,252</u>	<u>328,001</u>	<u>203,160</u>	<u>124,841</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(48,407)</u>	<u>(48,407)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(48,407)</u>	<u>(48,407)</u>
<i>Prior year cash balance</i>	<u>205,749</u>	<u>205,749</u>	<u>205,749</u>	<u>205,749</u>
<i>End of year cash balance</i>	<u>\$ 205,749</u>	<u>\$ 205,749</u>	<u>\$ 157,342</u>	<u>\$ 157,342</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,167,877	\$ 2,167,877	\$ 2,253,462	\$ 85,585
Bond premium	-	-	-	-
<i>Total revenues</i>	<u>2,167,877</u>	<u>2,167,877</u>	<u>2,253,462</u>	<u>85,585</u>
EXPENDITURES				
Debt service	4,584,140	4,584,140	2,169,504	2,414,636
<i>Total expenditures</i>	<u>4,584,140</u>	<u>4,584,140</u>	<u>2,169,504</u>	<u>2,414,636</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,416,263)</u>	<u>(2,416,263)</u>	<u>83,958</u>	<u>2,500,221</u>
<i>Other financing sources (uses):</i>				
Bond Premium	-	-	-	-
Designated cash balance	2,416,263	2,416,263	-	(2,416,263)
<i>Total other financing sources (uses)</i>	<u>2,416,263</u>	<u>2,416,263</u>	<u>-</u>	<u>(2,416,263)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>83,958</u>	<u>83,958</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>2,708,428</u>	<u>2,708,428</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,792,386</u>	<u>\$ 2,792,386</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			3,937	
Accounts receivable			117,576	
Net change in fund balance (GAAP basis)			<u>\$ 205,471</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Capital Outlay - Bond Capital Project Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ -	-
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Capital outlay	4,160,351	4,160,351	2,849,401	1,310,950
<i>Total expenditures</i>	4,160,351	4,160,351	2,849,401	1,310,950
<i>Excess (deficiency) of revenues over expenditures</i>	(4,160,351)	(4,160,351)	(2,849,401)	1,310,950
<i>Other financing sources (uses):</i>				
Bond proceeds	-	-	-	-
Designated cash balance	4,160,351	4,160,351	-	(4,160,351)
<i>Total other financing sources (uses)</i>	4,160,351	4,160,351	-	(4,160,351)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(2,849,401)	(2,849,401)
<i>Prior year cash balance</i>	-	-	2,849,401	2,849,401
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
RECONCILIATION TO GAAP				
Adjustments:				
Accounts payable			304,983	
Net change in fund balance (GAAP basis)			<u>\$ (2,544,418)</u>	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Capital Improvements SB-9 Capital Project Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,390,077	\$ 1,390,077	\$ 1,400,272	\$ 10,195
Revenue from state sources	75,353	152,677	-	(152,677)
Revenue from local sources	-	-	3,028	3,028
Insurance recoveries	-	-	388,888	388,888
Investment income	5,000	5,000	890	(4,110)
<i>Total revenues</i>	<u>1,470,430</u>	<u>1,547,754</u>	<u>1,793,078</u>	<u>245,324</u>
EXPENDITURES				
Support services:				
General administration	3,062	4,062	3,153	909
Capital outlay	5,769,956	5,846,280	2,890,083	2,956,197
<i>Total expenditures</i>	<u>5,773,018</u>	<u>5,850,342</u>	<u>2,893,236</u>	<u>2,957,106</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,302,588)</u>	<u>(4,302,588)</u>	<u>(1,100,158)</u>	<u>3,202,430</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	4,302,588	4,302,588	-	(4,302,588)
<i>Total other financing sources (uses)</i>	<u>4,302,588</u>	<u>4,302,588</u>	<u>-</u>	<u>(4,302,588)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1,100,158)	(1,100,158)
<i>Prior year cash balance</i>	-	-	3,148,894	3,148,894
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,048,736</u>	<u>\$ 2,048,736</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			79,732	
Accounts payable			(252,494)	
Deferred revenue			143	
Net change in fund balance (GAAP basis)			<u>\$ (1,272,777)</u>	

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Food Services – To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics – To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

Title I IASA - To account for a program funded by a federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

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

IDEA Part B, Entitlement – To account for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420. The fund was created by the authority of federal grant provisions.

IDEA Part B, Discretionary – To account for a program funded by a federal grant to assist the District to cover excess costs of special education programs conducted according to priority areas. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 611. The fund was created by the authority of federal grant provisions

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

Title VI – To account for a program funded by a federal grant to assist the District in making improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952-2971-2976. The fund was created by the authority of federal grant provisions.

Title II – To account for a program funded by a federal grant to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students. Funding authorized by Elementary and Secondary Education Act of 1965, Title II, Part A, Public Law 100-297, as amended, Public Law 101-589.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Title VII Emergency Immigrant – To account for revenue received from federal sources through the New Mexico State Department of Education to provide daily tutoring in intensive English instruction in the area of reading. This fund was created by the authority of federal grant provisions-Chapter I of Title I of the Elementary and Secondary Education Act. (ESEA) of 1965, as amended.

Title I Section 1003g-Schools in Need of Improvement – The purpose of this title is to ensure that all children have a fair, equal, and significant opportunity to obtain a high-quality education and reach, at a minimum, proficiency on challenging state academic achievement standards and state academic assessments. This fund was created by the authority of federal grant provisions-Chapter I of Title I of the Elementary and Secondary Education Act. (ESEA) of 1965, as amended.

Drug Free School – The objective of this program is to provide federal funds for the implementation of program and/or curricula designed to prevent drug abuse from kindergarten through grade twelve. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Public Law 103-382.

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

Class Size Reduction – To account for a federal grant received for the purpose of adding teachers to District Schools in an effort to reduce the total class sizes. The fund was created by the authority of federal grant provisions. (PL 106-554).

Title III Incentive - To serve the needs of English language learners. The fund was created by the authority of federal grant provisions.

Enhancing Education Through Technology/Title II-D - To account for funds which provide hardware, software and training to enhance classroom use of technology. The fund was created by the authority of federal grant provisions.

Title V-A – To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

English Language Acquisition – To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited english proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Safe and Drug Free School – To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related federal, state, and community efforts and resources. Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

Rural & Low Income – To account for a federal grant to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The grant is authorized by the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Title III Immigrant – To account for the revenues and expenditures provided for daily tutoring in intensive English Instruction in the area of reading. Funds are received through the New Mexico Department of Education. The fund was created by the authority of federal grant provisions. (PL 103-382).

Jobs for Americas Graduates – To provide students with classroom and work-based learning experiences that result in a quality job leading to a career after graduation or completion of a GED. JAG emphasizes keeping students in high school through graduation during the in-school phase of the program and improving the rate of success in achieving education and career goals. The program includes classroom instruction, teaching, employability skills, mentoring, advisement, on-the-job training, placement services, and follow-up services. Authority for creation of this fund is the Carl D Perkins Vocational and Technical Education Act of 1998 (Perkins III), 20 USC 2301m et. Seq. as amended by Public Law 105-322.

Carl Perkins - Secondary – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Carl Perkins - High Schools – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Title VI Comprehensive – To develop school wide programs for limited English proficient students that reform, restructure, and upgrade all relevant and operations within an individual school that has a concentration of limited english proficient students. Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A, Subpart 1.

Advanced Placement Incentives – Award grants to state and local efforts to increase access to advance placement classes and tests for low-income students and to cover part of all the cost of test fees for low-income students enrolled in advanced placement courses. Elementary and Secondary Education Act, as amended, Title I, Part G.

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Title VII-System-wide – To account for revenues received from a federal grant administered by the State Department of Education to provide bilingual education. The fund was created by the authority of federal grant provisions. (PL 103-382).

Teacher Quality Enhancement – To account for revenues received from the New Mexico State Department of Education for the Teacher Quality Enhancement state grant to improve teacher quality in the state. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. The fund was created by state grant requirements.

Foreign Language – To provide incentive payments for each public elementary school that provides students attending the school a program designed to lead to communication in foreign language. Elementary and Secondary Education Act of 1965, as amended, Title V, Subpart 9, Sec. 5494; 20 U.S.C. 7259(b), 20 U.S.C. 7259(c).

Bill & Melinda Gates Foundation – To account for revenues and expenditures provided by a grant from the Institute of Computer Technology. The purpose of the grant is to bring each Master Teacher to the classroom to implement and improve computer skills. The fund may also be used to purchase computer equipment. The fund was created by state grant provisions.

Private School Share – Under 34 CFS 300,132-300.133, and LEA must spend a proportionate amount of their IDEA-B Basic Entitlement and, if applicable, preschool sub-grant funds for special education and related services ("equal participation services") to students with disabilities who are parentally placed in private elementary and secondary schools located in the Lovington Municipal School district. Authority for creation of this fund is public law 105-17.

GRADS Child Care – To account for funds received from New Mexico Department of Health for the Graduation and Dual Skills (GRADS) program for pregnant and parenting skills. The fund was created by state grant provisions.

TANF/Grads – To provide grants to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The fund was created by state grant provisions.

GEAR-UP – To prepare students for high school. The fund was created by state grant provisions.

Bully Proofing Schools – To account for funds awarded by legislative appropriation that flow through the Public Education Department to implement programs for addressing discipline, behavior management and bullying and harassing behaviors. The fund was created by the authority of federal grant provisions. (PL 103-382).

Healthier Schools – New Mexico Department of Health provided funding assistance for A+ awards for proposals submitted for Healthier Schools-New Mexico. The fund was created by state grant provisions.

Local Combined Schools – To account for revenues received from a state grant for additions to native New Mexico plants to study within the science programs. The fund was created by state grant provisions.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Breakfast in the Classroom - To account for revenues appropriated by the NM Legislature to help students develop lifelong healthy eating habits, while ensuring students are prepared for the learning process. The fund was created by state grant requirements.

Technology for Education – To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

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

Library GO Bond - To account for revenues generated from a state wide General Obligation Bond election which appropriated funds to school libraries to increase their book collection. The fund was created by state grant provisions.

Beginning Teacher Mentoring – To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eighth. The fund was created by state grant provisions.

Private Direct Grants – To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eighth. The fund was created by state grant provisions.

School Based Health Clinic – Lovington was one of several sites chosen to receive funding to construct and implement a school-based health clinic. The SBHC is a Level II facility which means it is entitled to 16 hours weekly for both health care and mental health services. The fund was created by state grant provisions.

Adequacy Tech Equity Grant Fund – The capital improvements fund is used to assist the District in developing and implementing a strategic, long-term plan for utilizing education technology in the school system. The fund was created by state grant provisions.

Gear Up CHE-To account for revenues and expenditures for grants provide services at high poverty middle schools and high schools. The fund was created by state grant provisions.

Early Intervention CYFD-To account for revenues and expenditures for grants to provide daycare for high school students with children. The fund was created by state grant provisions.

Library GO Bond 2006 - To account for revenues generated from a state wide General Obligation Bond election which appropriated funds to school libraries to increase their book collection. The fund was created by state grant provisions.

Breakfast for Elementary Students - To account for revenues appropriated by the NM Legislature to help students develop lifelong healthy eating habits, while ensuring students are prepared for the learning process. The fund was created by state grant requirements.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Library GO Bond 2006 - To account for revenues generated from a state wide General Obligation Bond election which appropriated funds to school libraries to increase their book collection. The fund was created by state grant provisions.

Breakfast for Elementary Students - To account for revenues appropriated by the NM Legislature to help students develop lifelong healthy eating habits, while ensuring students are prepared for the learning process. The fund was created by state grant requirements.

Schools in Need of Improvement - To account for revenues received from the New Mexico Public Education Department for schools identified as needing improvement under Title I of the Elementary and Secondary Act of 1965. The fund was created by state grant requirements.

Libraries-SB-301 GO Bonds-Laws of 2008 - To account for revenues generated from a state wide General Obligation Bond election which appropriated funds to school libraries to increase their book collection. The fund was created by state grant requirements.

State Equalization Guarantee-Federal Stimulus- To account for revenues received and related expenses from the American Recovery and Reinvestment Act of 2009 to minimize and avoid reductions in teachers and other staff. The fund was created to comply with provisions in the American Recovery and Reinvestment Act of 2009.

Dual Credit Instructional Materials- To account for revenues to support the purchase of instructional materials for high school students to enroll in college-level courses offered by a postsecondary institution to earn credit toward high school graduation and a postsecondary degree or certificate. The fund is created by the authority of SB 943 (Laws 2007, 227).

GO Student Library Fund - To account for revenues generated from a state wide General Obligation Bond election which appropriated funds to school libraries to increase their book collection. The fund was created by state grant requirements.

School Improvement Framework- This grant was awarded as a result of meeting adequate yearly progress for two consecutive years and are to be used for library materials. The fund was created by state grant requirements.

School Library Material Fund-To account for revenues and expenditures related to the purchase of library materials. The fund was created by state grant requirements.

Title I IASA-Federal Stimulus - To account for a program funded by a federal grant to supplement the regular instructional program for educationally deprived students with additional funding under the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA-B Risk Pool - To account for funds received for high cost education of individuals with special needs. Funding authorized by the individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420. The fund was created by the authority of federal grant provisions.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2010**

Title I School Improvement – To account for funds received to provide supplemental education opportunities for academically disadvantaged children in the area served by the District. Federal revenues accounted in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education of 1965, as amended, Public Law 103-383.

Special Education Entitlement-Federal Stimulus- To account for a program funded by an additional federal grant under the American Recovery and Reinvestment Act of 2009 to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U.S.C. 1411-1420. The fund was created by the authority of federal grant provisions.

Special Education Preschool-Federal Stimulus- To account for a program funded by an additional federal grant under the American Recovery and Reinvestment Act of 2009 to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Education of the Homeless-Federal Stimulus-To account for a program to ensure that all homeless children and youth have equal access to the same free, appropriate education available to other children. The fund was created by the authority of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

**Non-Major Capital Projects Funds
June 30, 2010**

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

Capital Outlay - HB-33 – To account for funds derived from a district tax levy. The expenditures are restricted to major capital improvements.

Educational Technology Equipment – To account for proceeds received from the issuance of Educational Technology Notes to be used for the acquisition of education technology equipment for use in classrooms and library and media centers. Authority for the creation of this fund is NMSA 1978, 6-15A-1 through 6-15A-16.

Public School Capital Outlay-20% – The revenues are derived from 20% of the District Tax Levy set aside for capital improvements.

**Non-Major Debt Service Fund
June 30, 2010**

Education Technology Debt Service – 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.

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2010

	Special Revenue Funds			
	Food Services	Athletics	Title I - IASA	Migrant Children Education
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 254,483	\$ 166,860	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	136,243	16,671
Inventory	34,727	-	-	-
	\$ 289,210	\$ 166,860	\$ 136,243	\$ 16,671
<i>Total assets</i>	\$ 289,210	\$ 166,860	\$ 136,243	\$ 16,671
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ 269	\$ -	\$ -
Accrued liabilities	5	-	40	3
Due to other funds	-	-	46,768	16,668
Deferred revenue	-	-	89,435	-
Advances from other funds	-	-	-	29,250
	5	269	136,243	45,921
<i>Total liabilities</i>	5	269	136,243	45,921
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	34,727	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated, reported in:				
Special revenue funds	254,478	166,591	-	(29,250)
Capital project funds	-	-	-	-
	289,205	166,591	-	(29,250)
<i>Total fund balances</i>	289,205	166,591	-	(29,250)
<i>Total liabilities and fund balances</i>	\$ 289,210	\$ 166,860	\$ 136,243	\$ 16,671

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

Special Revenue Funds

IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	Title VI	Title II - ESEA	Emergency Immigrant
\$ -	\$ -	\$ -	\$ 414	\$ 1,212	\$ 6,538
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,529	-	286	-	-	-
-	-	-	-	-	-
<u>\$ 28,529</u>	<u>\$ -</u>	<u>\$ 286</u>	<u>\$ 414</u>	<u>\$ 1,212</u>	<u>\$ 6,538</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	-	-	-	-	-
28,349	-	286	-	-	-
-	-	-	414	1,212	6,538
-	-	600	-	-	-
<u>28,529</u>	<u>-</u>	<u>886</u>	<u>414</u>	<u>1,212</u>	<u>6,538</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(600)	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 28,529</u>	<u>\$ -</u>	<u>\$ 286</u>	<u>\$ 414</u>	<u>\$ 1,212</u>	<u>\$ 6,538</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2010

	Drug Free Schools	Title J - 1003 G	Enhancing Education Thru Technology (E2T2-F)	Class Size Reduction
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 1	\$ -	\$ 17	\$ 2
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	7,282	-	-
Inventory	-	-	-	-
Total assets	\$ 1	\$ 7,282	\$ 17	\$ 2
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	80	-	-
Due to other funds	-	7,202	-	-
Deferred revenue	-	-	17	2
Advances from other funds	-	-	-	-
Total liabilities	-	7,282	17	2
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated, reported in:				
Special revenue funds	1	-	-	-
Capital project funds	-	-	-	-
Total fund balances	1	-	-	-
Total liabilities and fund balances	\$ 1	\$ 7,282	\$ 17	\$ 2

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

Title III - Incentive Awards	Enhancing Education Thru Technology (E2T2-C)	Title V - Part A	English Language Acquisition	Teacher/ Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	72,848	7,087
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,848</u>	<u>\$ 7,087</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6
-	-	-	72,848	4,417
-	-	-	-	2,664
3,041	5,754	4,942	46,343	-
<u>3,041</u>	<u>5,754</u>	<u>4,942</u>	<u>119,191</u>	<u>7,087</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(3,041)	(5,754)	(4,942)	(46,343)	-
-	-	-	-	-
<u>(3,041)</u>	<u>(5,754)</u>	<u>(4,942)</u>	<u>(46,343)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,848</u>	<u>\$ 7,087</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2010

	Special Revenue Funds				
	Safe and Drug Free Schools	Rural and Low Income Schools	Title III - Immigrant Funding	Reading First	Jobs for Americas Graduates
ASSETS					
<i>Current assets:</i>					
Cash and cash equivalents	\$ 2,149	\$ -	\$ 38,772	\$ 370,239	\$ -
Investments	-	-	-	-	-
Accounts receivable:					
Taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	823	16,019	-	10,119	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 2,972</u>	<u>\$ 16,019</u>	<u>\$ 38,772</u>	<u>\$ 380,358</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
<i>Current liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	5	-	-
Due to other funds	-	2,881	24,657	380,358	-
Deferred revenue	2,972	13,138	14,110	-	-
Advances from other funds	-	-	-	170,398	48,573
<i>Total liabilities</i>	<u>2,972</u>	<u>16,019</u>	<u>38,772</u>	<u>550,756</u>	<u>48,573</u>
<i>Fund balances:</i>					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures reported in:					
Special revenue funds	-	-	-	-	-
Capital project funds	-	-	-	-	-
Undesignated, reported in:					
Special revenue funds	-	-	-	(170,398)	(48,573)
Capital project funds	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,398)</u>	<u>(48,573)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,972</u>	<u>\$ 16,019</u>	<u>\$ 38,772</u>	<u>\$ 380,358</u>	<u>\$ -</u>

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

Special Revenue Funds

Carl D Perkins - Secondary	Carl D Perkins - High Schools	Title VII - Comprehensive	Advanced Placement Incentive Grant	Medicaid XIX	Title VII - Systemwide
\$ 18,854	\$ -	\$ 499	\$ 706	\$ -	\$ 788
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
499	-	-	-	18,444	-
-	-	-	-	-	-
<u>\$ 19,353</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 706</u>	<u>\$ 18,444</u>	<u>\$ 788</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	13	-
-	-	-	-	27,489	-
19,353	-	499	706	-	788
-	10,060	-	-	-	-
<u>19,353</u>	<u>10,060</u>	<u>499</u>	<u>706</u>	<u>27,502</u>	<u>788</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(10,060)	-	-	(9,058)	-
-	-	-	-	-	-
-	(10,060)	-	-	(9,058)	-
<u>\$ 19,353</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 706</u>	<u>\$ 18,444</u>	<u>\$ 788</u>

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2010

	Special Revenue Funds			
	Teacher Quality Enhancement Grants	Foreign Language Incentive	Bill & Melinda Gates Intel	Private School Share
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 1	\$ 14	\$ 5	\$ 151
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 5</u>	<u>\$ 151</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	14	-	151
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>14</u>	<u>-</u>	<u>151</u>
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated, reported in:				
Special revenue funds	1	-	5	-
Capital project funds	-	-	-	-
<i>Total fund balances</i>	<u>1</u>	<u>-</u>	<u>5</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 5</u>	<u>\$ 151</u>

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

Special Revenue Funds

GRADS Child Care	TANF/ GRADS HSD	GEAR-UP USDE	Bully Proofing	Healthier Schools/ Desert High	Local Combined Grants
\$ 6,107	\$ -	\$ -	\$ 3,194	\$ 1	\$ 621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,194</u>	<u>\$ 1</u>	<u>\$ 621</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,107	-	-	3,194	-	-
-	41,192	30	-	-	-
<u>6,107</u>	<u>41,192</u>	<u>30</u>	<u>3,194</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(41,192)	(30)	-	1	621
-	-	-	-	-	-
<u>-</u>	<u>(41,192)</u>	<u>(30)</u>	<u>-</u>	<u>1</u>	<u>621</u>
<u>\$ 6,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,194</u>	<u>\$ 1</u>	<u>\$ 621</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2010

	Special Revenue Funds			
	Breakfast in the Classroom	Technology for Education	Incentives for School Improvement	Libraries - GO Bonds
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 2	\$ 22,628	\$ 16,152	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	\$ 2	\$ 22,628	\$ 16,152	\$ -
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ 1,619	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	21,009	16,152	-
Advances from other funds	-	-	-	635
<i>Total liabilities</i>	-	22,628	16,152	635
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated, reported in:				
Special revenue funds	2	-	-	(635)
Capital project funds	-	-	-	-
<i>Total fund balances</i>	2	-	-	(635)
<i>Total liabilities and fund balances</i>	\$ 2	\$ 22,628	\$ 16,152	\$ -

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

Special Revenue Funds

Beginning Teacher Mentoring Program	Breakfast for Elementary Students	School Based Health Center	Adequacy Tech Equity Grant	Truancy Initiative
\$ 15,143	\$ -	\$ -	\$ 245,323	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	26,400	-	4,840
-	-	-	-	-
<u>\$ 15,143</u>	<u>\$ -</u>	<u>\$ 26,400</u>	<u>\$ 245,323</u>	<u>\$ 4,840</u>
\$ -	\$ -	\$ 26,400	\$ -	\$ -
-	-	-	-	5
-	-	-	124,737	4,835
15,143	-	-	120,586	-
-	-	-	-	-
<u>15,143</u>	<u>-</u>	<u>26,400</u>	<u>245,323</u>	<u>4,840</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 15,143</u>	<u>\$ -</u>	<u>\$ 26,400</u>	<u>\$ 245,323</u>	<u>\$ 4,840</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2010

	Special Revenue Funds			
	Libraries - SB 301 GO Bonds- Laws of 2006	Gear Up CHE	Early Intervention CYFD	Schools in Need of Improvement
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 53,491	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	24,659
Due from other governments	23,339	46,040	-	63,075
Inventory	-	-	-	-
<i>Total assets</i>	\$ 23,339	\$ 46,040	\$ 53,491	\$ 87,734
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	4	7
Due to other funds	23,339	46,040	-	87,727
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	23,339	46,040	4	87,734
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated, reported in:				
Special revenue funds	-	-	53,487	-
Capital project funds	-	-	-	-
<i>Total fund balances</i>	-	-	53,487	-
<i>Total liabilities and fund balances</i>	\$ 23,339	\$ 46,040	\$ 53,491	\$ 87,734

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

Special Revenue Funds

State Equalization Guarantee Fed Stimulus	Dual Credit Instructional Materials	GO Student Library Fund	School Improvement Framework	School Library Material Fund	Title I IASA Federal Stimulus
\$ -	\$ -	\$ -	\$ -	\$ 1,536	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
611,593	-	63	15,991	-	24,607
-	-	-	-	-	-
<u>\$ 611,593</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 15,991</u>	<u>\$ 1,536</u>	<u>\$ 24,607</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72	-	-	-	-	9
610,839	-	63	15,991	-	24,598
682	-	-	-	1,536	-
-	-	-	-	-	-
<u>611,593</u>	<u>-</u>	<u>63</u>	<u>15,991</u>	<u>1,536</u>	<u>24,607</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 611,593</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 15,991</u>	<u>\$ 1,536</u>	<u>\$ 24,607</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2010

	Special Revenue Funds			
	IDEA-B Risk Pool	Title I-School Improvement	Special Education- Entitlement Fed Stimulus	Special Education- Preschool Fed Stimulus
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	20,181	64,489	3,281
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 20,181</u>	<u>\$ 64,489</u>	<u>\$ 3,281</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	8	41	2
Due to other funds	-	20,173	64,448	3,279
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>20,181</u>	<u>64,489</u>	<u>3,281</u>
<i>Fund balances:</i>				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Undesignated, reported in:				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 20,181</u>	<u>\$ 64,489</u>	<u>\$ 3,281</u>

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

Special Revenue Funds		Capital Outlay Funds				
Education of Homeless Fed Stimulus	Total Nonmajor Special Revenue Funds	Special Capital Outlay - State	Capital Improvement HB-33	Total Nonmajor Capital Projects Funds	Technology Bonds - Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ 1,225,903	\$ -	\$ 1,874,458	\$ 1,874,458	\$ 59,696	\$ 3,160,057
-	-	-	558,013	558,013	-	558,013
-	-	-	200,035	200,035	-	200,035
-	24,659	124,737	-	124,737	-	149,396
89	1,218,838	-	-	-	-	1,218,838
-	34,727	-	-	-	-	34,727
<u>\$ 89</u>	<u>\$ 2,504,127</u>	<u>\$ 124,737</u>	<u>\$ 2,632,506</u>	<u>\$ 2,757,243</u>	<u>\$ 59,696</u>	<u>\$ 5,321,066</u>
\$ -	\$ 28,288	\$ -	\$ 69,662	\$ 69,662	\$ -	\$ 97,950
-	480	-	-	-	-	480
89	1,638,081	-	-	-	-	1,638,081
-	336,422	-	13,265	13,265	-	349,687
-	360,818	-	-	-	-	360,818
<u>89</u>	<u>2,364,089</u>	<u>-</u>	<u>82,927</u>	<u>82,927</u>	<u>-</u>	<u>2,447,016</u>
-	34,727	-	-	-	-	34,727
-	-	-	-	-	59,696	59,696
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	105,311	-	-	-	-	105,311
-	-	124,737	2,549,579	2,674,316	-	2,674,316
-	140,038	124,737	2,549,579	2,674,316	59,696	2,874,050
<u>\$ 89</u>	<u>\$ 2,504,127</u>	<u>\$ 124,737</u>	<u>\$ 2,632,506</u>	<u>\$ 2,757,243</u>	<u>\$ 59,696</u>	<u>\$ 5,321,066</u>

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds			
	Food Services	Athletics	Title I - IASA	Migrant Children Education
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	310	654	-	-
Food services	10,987	-	-	-
District activities	-	89,125	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	150	-	-
Revenue from state sources	202,827	-	-	-
Revenue from federal sources	1,108,553	-	639,759	36,898
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	1,322,677	89,929	639,759	36,898
EXPENDITURES				
Current:				
Instruction	-	62,978	525,611	25,513
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	7,014	-
School administration	-	-	107,134	11,385
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	1,201,260	-	-	-
Community services	-	-	-	-
Capital outlay	2,142	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	1,203,402	62,978	639,759	36,898
<i>Excess (deficiency) of revenues over (under) expenditures</i>	119,275	26,951	-	-
<i>Other financing sources(uses):</i>				
Increase (decrease) in inventory	18,880	-	-	-
Transfers in (out)	-	-	-	-
<i>Net changes in fund balance</i>	138,155	26,951	-	-
<i>Beginning fund balances</i>	151,050	139,640	-	(29,250)
<i>Fund balances--end of the year</i>	\$ 289,205	\$ 166,591	\$ -	\$ (29,250)

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

Special Revenue Funds

IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	Title VI	Title II - ESEA	Emergency Immigrant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
766,080	-	27,356	-	-	-
-	-	-	-	-	-
766,080	-	27,356	-	-	-
320,558	-	15,774	-	-	-
334,292	-	3,081	-	-	-
-	-	-	-	-	-
6,880	-	-	-	-	-
28,879	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,399	-	-	-	-	-
10,072	-	8,501	-	-	-
-	-	-	-	-	-
766,080	-	27,356	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(600)	-	-	-
\$ -	\$ -	\$ (600)	\$ -	\$ -	\$ -

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue Funds			
	Drug Free Schools	Title I - 1003 G	Enhancing Education Thru Technology (E2T2-F)	Class Size Reduction
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	7,282	-	-
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	-	7,282	-	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	7,282	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	-	7,282	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources(uses):</i>				
Increase (decreases)in inventory	-	-	-	-
Increase (decrease) in inventory	-	-	-	-
<i>Net changes in fund balance</i>	-	-	-	-
<i>Beginning fund balances</i>	1	-	-	-
<i>Fund balances--end of the year</i>	\$ 1	\$ -	\$ -	\$ -

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

Special Revenue Funds

Title III - Incentive Awards	Enhancing Education Thru Technology (E2T2-C)	Title V - Part A	English Language Acquisition	Teacher/ Principal Training & Recruiting
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	97,480	125,032
-	-	-	-	-
-	-	-	97,480	125,032
-	-	-	96,166	30,639
-	-	-	-	41,753
-	-	-	-	-
-	-	-	400	4,246
-	-	-	914	48,394
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	97,480	125,032
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(3,041)	(5,754)	(4,942)	(46,343)	-
\$ (3,041)	\$ (5,754)	\$ (4,942)	\$ (46,343)	\$ -

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue Funds				
	Safe and Drug Free Schools	Rural and Low Income Schools	Title III - Immigrant Funding	Reading First	Jobs for Americas Graduates
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	-	-	-	-	-
Revenue from federal sources	7,039	40,461	25,669	10,119	-
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	<u>7,039</u>	<u>40,461</u>	<u>25,669</u>	<u>10,119</u>	<u>-</u>
EXPENDITURES					
Current:					
Instruction	3,736	40,461	24,399	10,119	-
Support services					
Students	3,303	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	1,270	-	-
Central services	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Operation of non instructional services					
Food services operation	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total expenditures</i>	<u>7,039</u>	<u>40,461</u>	<u>25,669</u>	<u>10,119</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>					
Increases (decreases) in inventory	-	-	-	-	-
Increase (decrease) in inventory	-	-	-	-	-
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,398)</u>	<u>(48,573)</u>
<i>Fund balances--end of the year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (170,398)</u>	<u>\$ (48,573)</u>

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

Special Revenue Funds

Carl D Perkins - Secondary	Carl D Perkins - High Schools	Title VI - Comprehensive	Advanced Placement Incentive Grant	Medicaid XIX	Title VII - Systemwide
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,359	-	-	-	130,456	-
-	-	-	-	-	-
<u>26,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,456</u>	<u>-</u>
23,596	-	-	-	37,373	-
-	-	-	-	166,926	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,730	-
-	-	-	-	-	-
-	-	-	-	-	-
2,763	-	-	-	-	-
-	-	-	-	-	-
<u>26,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,029</u>	<u>-</u>
-	-	-	-	(76,573)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(76,573)	-
-	(10,060)	-	-	67,515	-
<u>\$ -</u>	<u>\$ (10,060)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,058)</u>	<u>\$ -</u>

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds			
	Teacher Quality Enhancement Grants	Foreign Language Incentive	Bill & Melinda Gates Intel	Private School Share
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	-	-	-	-
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources(uses):</i>				
Increases (decreases) in inventory	-	-	-	-
Increase (decrease) in inventory	-	-	-	-
<i>Net changes in fund balance</i>	-	-	-	-
<i>Beginning fund balances</i>	1	-	5	-
<i>Fund balances--end of the year</i>	\$ 1	\$ -	\$ 5	\$ -

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

Special Revenue Funds

GRADS Child Care	TANF/ GRADS HSD	GEAR-UP USDE	Bully Proofing	Healthier Schools/ Desert High	Local Combined Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,924	8,000	-	-	-	-
-	-	-	-	-	-
<u>2,924</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	9,414	-	-	-	-
2,924	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,924</u>	<u>9,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(1,414)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(1,414)	-	-	-	-
-	(39,778)	(30)	-	1	621
<u>\$ -</u>	<u>\$ (41,192)</u>	<u>\$ (30)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 621</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue Funds			
	Breakfast in the Classroom	Tech. for Education	Incentives for School Improvement	Libraries - GO Bonds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	-
Revenue from state sources	-	75,422	-	-
Revenue from federal sources	-	-	-	-
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	-	75,422	-	-
EXPENDITURES				
Current:				
Instruction	-	55,041	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	20,381	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	-	75,422	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources(uses):</i>				
Increases (decreases) in inventory	-	-	-	-
Increase (decrease) in inventory	-	-	-	-
<i>Net changes in fund balance</i>	-	-	-	-
<i>Beginning fund balances</i>	2	-	-	(635)
<i>Fund balances--end of the year</i>	\$ 2	\$ -	\$ -	\$ (635)

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

Special Revenue Funds

Beginning Teacher Mentoring Program	Breakfast for Elementary Students	School Based Health Center	Adequacy Tech Equity Grant	Truancy Initiative
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,852	37,548	154,331	4,046	12,738
-	-	-	-	-
-	-	-	-	-
<u>7,852</u>	<u>37,548</u>	<u>154,331</u>	<u>4,046</u>	<u>12,738</u>
7,852	-	-	3,847	-
-	-	154,331	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	37,548	-	-	-
-	-	-	-	12,738
-	-	-	199	-
-	-	-	-	-
<u>7,852</u>	<u>37,548</u>	<u>154,331</u>	<u>4,046</u>	<u>12,738</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Governmental Funds
 For the Year Ended June 30, 2010

Special Revenue Funds

	Libraries - SB 301 GO Bonds- Laws of 2006	Gear Up-CHE	Early Intervention CYFD	Schools in Need of Improvement	State Equalization Guarantee- Federal Stimulus
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	29,739	32,782	9,599	92,723	-
Revenue from federal sources	-	-	-	-	2,176,666
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	<u>29,739</u>	<u>32,782</u>	<u>9,599</u>	<u>92,723</u>	<u>2,176,666</u>
EXPENDITURES					
Current:					
Instruction	-	32,782	31,422	-	2,176,666
Support services					
Students	-	-	-	4,032	-
Instruction	29,739	-	-	88,691	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Operation of non instructional services					
Food services operation	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total expenditures</i>	<u>29,739</u>	<u>32,782</u>	<u>31,422</u>	<u>92,723</u>	<u>2,176,666</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,823)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>					
Increases (decreases) in inventory	-	-	-	-	-
Increase (decrease) in inventory	-	-	-	-	-
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>(21,823)</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>-</u>	<u>-</u>	<u>75,310</u>	<u>-</u>	<u>-</u>
<i>Fund balances--end of the year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,487</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Funds

Dual Credit Instructional Materials	GO Student Library Fund	School Improvement Framework	School Library Material Fund	Title I IASA Federal Stimulus
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,229	63	15,991	8,298	-
-	-	-	-	69,790
-	-	-	-	-
<u>12,229</u>	<u>63</u>	<u>15,991</u>	<u>8,298</u>	<u>69,790</u>
12,229	63	15,991	8,298	66,831
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,959
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,229</u>	<u>63</u>	<u>15,991</u>	<u>8,298</u>	<u>69,790</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-major Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue Funds				
	IDEA B Risk Pool	Title I School Improvement	Special Education Entitlement-Fed Stimulus	Special Education Preschool Fed Stimulus	Education of Homeless Fed Stimulus
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	-	-	-	-	-
Revenue from federal sources	7,467	76,867	575,402	20,277	89
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	<u>7,467</u>	<u>76,867</u>	<u>575,402</u>	<u>20,277</u>	<u>89</u>
EXPENDITURES					
Current:					
Instruction	7,467	76,867	531,039	20,277	89
Support services					
Students	-	-	44,363	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Operation of non instructional services					
Food services operation	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total expenditures</i>	<u>7,467</u>	<u>76,867</u>	<u>575,402</u>	<u>20,277</u>	<u>89</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>					
Increases (decreases) in inventory	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances--end of the year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Capital Outlay Funds

Total Nonmajor Special Revenue Funds	Special Capital Outlay - State	Capital Improvement HB- 33	Total Nonmajor Capital Projects Funds	Technology Bonds - Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 324,673	\$ 324,673	\$ 1	\$ 324,674
-	-	1,162,777	1,162,777	-	1,162,777
964	-	952	952	-	1,916
10,987	-	-	-	-	10,987
89,125	-	-	-	-	89,125
-	-	-	-	-	-
150	-	-	-	-	150
696,188	189,608	-	189,608	-	885,796
5,986,025	-	-	-	-	5,986,025
-	-	-	-	-	-
<u>6,783,439</u>	<u>189,608</u>	<u>1,488,402</u>	<u>1,678,010</u>	<u>1</u>	<u>8,461,450</u>
4,273,098	-	-	-	-	4,273,098
755,005	-	-	-	-	755,005
125,712	-	-	-	-	125,712
21,499	-	3,224	3,224	-	24,723
197,976	-	-	-	-	197,976
20,381	-	-	-	-	20,381
2,730	-	-	-	-	2,730
1,238,808	-	-	-	-	1,238,808
78,137	-	-	-	-	78,137
23,677	267,818	1,023,446	1,291,264	-	1,314,941
-	-	-	-	-	-
<u>6,737,023</u>	<u>267,818</u>	<u>1,026,670</u>	<u>1,294,488</u>	<u>-</u>	<u>8,031,511</u>
46,416	(78,210)	461,732	383,522	1	429,939
18,880	-	-	-	-	18,880
-	-	-	-	-	-
65,296	(78,210)	461,732	383,522	1	448,819
74,742	202,947	2,087,847	2,290,794	59,695	2,425,231
<u>\$ 140,038</u>	<u>\$ 124,737</u>	<u>\$ 2,549,579</u>	<u>\$ 2,674,316</u>	<u>\$ 59,696</u>	<u>\$ 2,874,050</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Food Services Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 250	\$ 250	\$ 310	\$ 60
District activities	10,000	10,000	10,987	987
Revenues from federal sources	962,073	962,073	1,108,553	146,480
Revenue from state sources	250,000	250,000	202,827	(47,173)
<i>Total revenues</i>	<u>1,222,323</u>	<u>1,222,323</u>	<u>1,322,677</u>	<u>100,354</u>
EXPENDITURES				
Operation of non-instructional services:				
Food services	1,308,990	1,306,848	1,201,260	105,588
Capital outlay	-	2,142	2,142	-
<i>Total expenditures</i>	<u>1,308,990</u>	<u>1,308,990</u>	<u>1,203,402</u>	<u>105,588</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(86,667)</u>	<u>(86,667)</u>	<u>119,275</u>	<u>205,942</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>(86,667)</u>	<u>(86,667)</u>	<u>119,275</u>	<u>205,942</u>
<i>Prior year cash balance</i>	<u>135,203</u>	<u>135,203</u>	<u>135,203</u>	<u>135,203</u>
<i>End of year cash balance</i>	<u>\$ 48,536</u>	<u>\$ 48,536</u>	<u>\$ 254,478</u>	<u>\$ 341,145</u>
RECONCILIATION TO GAAP				
Adjustments:				
Inventory			<u>18,880</u>	
Net change in fund balance (GAAP basis)			<u>\$ 138,155</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Athletics Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 654	\$ 654
District activities	80,696	80,696	89,125	8,429
Revenue from local sources	-	-	150	150
<i>Total revenues</i>	80,696	80,696	89,929	9,233
EXPENDITURES				
Instruction	221,167	221,167	62,978	158,189
<i>Total expenditures</i>	221,167	221,167	62,978	158,189
<i>Excess (deficiency) of revenues over expenditures</i>	(140,471)	(140,471)	26,951	167,422
<i>Other financing sources (uses):</i>				
Designated cash balance	140,471	140,471	-	(140,471)
<i>Total other financing sources (uses)</i>	140,471	140,471	-	(140,471)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	26,951	26,951
<i>Prior year cash balance</i>	-	-	139,640	139,640
<i>End of year cash balance</i>	\$ -	\$ -	\$ 166,591	\$ 166,591

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title I - IASA Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 708,015	\$ 713,809	\$ 503,516	\$ (210,293)
<i>Total revenues</i>	708,015	713,809	503,516	(210,293)
EXPENDITURES				
Instruction	557,728	561,021	525,611	35,410
Support services:				
Students	30,359	30,359	-	30,359
Instruction	-	-	-	-
General administration	7,014	7,014	7,014	-
School administration	112,569	115,069	107,134	7,935
Central Services	-	-	-	-
Operation & maintenance of plant	345	345	-	345
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	708,015	713,808	639,759	74,049
<i>Excess (deficiency) of revenues over expenditures</i>	-	1	(136,243)	(136,244)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	1	(136,243)	(136,244)
<i>Prior year cash balance</i>	-	-	89,436	89,436
<i>End of year cash balance</i>	\$ -	1	(46,807)	\$ (46,808)
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			136,243	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title I - Migrant Children Education Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 35,000	\$ 40,000	\$ 26,936	\$ (13,064)
<i>Total revenues</i>	<u>35,000</u>	<u>40,000</u>	<u>26,936</u>	<u>(13,064)</u>
EXPENDITURES				
Instruction	14,675	26,175	25,513	662
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
School administration	20,325	13,825	11,385	2,440
<i>Total expenditures</i>	<u>35,000</u>	<u>40,000</u>	<u>36,898</u>	<u>3,102</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,962)</u>	<u>(9,962)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,962)</u>	<u>(9,962)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(6,710)</u>	<u>(6,710)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,672)</u>	<u>\$ (16,672)</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

9,962

Net change in fund balance (GAAP basis)

\$ -

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Entitlement Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 670,440	\$ 783,164	\$ 1,017,987	\$ 234,823
<i>Total revenues</i>	670,440	783,164	1,017,987	234,823
EXPENDITURES				
Instruction	259,788	329,838	320,558	9,280
Support services:				
Students	301,942	339,703	334,292	5,411
General administration	6,880	6,880	6,880	-
School administration	28,330	29,180	28,879	301
Central services	-	-	-	-
Community services	50,000	67,488	65,399	2,089
Capital outlay	23,500	10,075	10,072	3
<i>Total expenditures</i>	670,440	783,164	766,080	17,084
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	251,907	251,907
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	251,907	251,907
<i>Prior year cash balance</i>	-	-	(280,436)	(280,436)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (28,529)	\$ (28,529)
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(251,907)	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 IDEA - B Discretionary Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 IDEA - B Preschool Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 34,464	\$ 42,733	\$ 38,626	\$ (4,107)
<i>Total revenues</i>	<u>34,464</u>	<u>42,733</u>	<u>38,626</u>	<u>(4,107)</u>
EXPENDITURES				
Instruction	19,692	26,705	15,774	10,931
Support services:				
Students	1,500	4,256	3,081	1,175
General administration	-	-	-	-
Community services	-	-	-	-
Capital outlay	13,106	11,606	8,501	3,105
<i>Total expenditures</i>	<u>34,298</u>	<u>42,567</u>	<u>27,356</u>	<u>15,211</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>166</u>	<u>166</u>	<u>11,270</u>	<u>11,104</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	166	166	11,270	11,104
<i>Prior year cash balance</i>	-	-	(12,156)	(12,156)
<i>End of year cash balance</i>	<u>\$ 166</u>	<u>\$ 166</u>	<u>\$ (886)</u>	<u>\$ (1,052)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(11,270)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title VI Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	414	414
<i>End of year cash balance</i>	\$ -	\$ -	\$ 414	\$ 414

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title II - ESEA Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	1,212	1,212
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1,212	\$ 1,212

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title VII - Emergency Immigrant Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	6,538	6,538
<i>End of year cash balance</i>	\$ -	\$ -	\$ 6,538	\$ 6,538

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Drug Free Schools Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	1	1
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title I - 1003 G Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 7,416	\$ 5,455	\$ (1,961)
<i>Total revenues</i>	<i>-</i>	<i>7,416</i>	<i>5,455</i>	<i>(1,961)</i>
EXPENDITURES				
Instruction	-	7,416	7,282	134
<i>Total expenditures</i>	<i>-</i>	<i>7,416</i>	<i>7,282</i>	<i>134</i>
<i>Excess (deficiency) of revenues over expenditures</i>	<i>-</i>	<i>-</i>	<i>(1,827)</i>	<i>(1,827)</i>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<i>-</i>	<i>-</i>	<i>(1,827)</i>	<i>(1,827)</i>
<i>Prior year cash balance</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>End of year cash balance</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ (1,827)</i>	<i>\$ (1,827)</i>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			1,827	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Enhancing Education Thru Technology (E2T2-F) Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	17	17
<i>End of year cash balance</i>	\$ -	\$ -	\$ 17	\$ 17

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Class Size Reduction Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	2	2
<i>End of year cash balance</i>	\$ -	\$ -	\$ 2	\$ 2

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title III Incentive Awards Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(3,041)	(3,041)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (3,041)	\$ (3,041)

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Enhancing Education Thru Technology (E2T2-C) Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(5,754)	(5,754)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (5,754)	\$ (5,754)

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title V - Part A Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 1,374	\$ -	\$ (1,374)
<i>Total revenues</i>	<u>-</u>	<u>1,374</u>	<u>-</u>	<u>(1,374)</u>
EXPENDITURES				
Instruction	-	1,374	-	1,374
Support services:				
General administration	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,374</u>	<u>-</u>	<u>1,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(4,942)</u>	<u>(4,942)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,942)</u>	<u>\$ (4,942)</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 English Language Acquisition Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 29,876	\$ 114,385	\$ 25,065	\$ (89,320)
<i>Total revenues</i>	<u>29,876</u>	<u>114,385</u>	<u>25,065</u>	<u>(89,320)</u>
EXPENDITURES				
Instruction	28,476	112,785	96,166	16,619
Support services				
Students	1,000	286	-	286
General administration	400	400	400	-
School administration	-	914	914	-
<i>Total expenditures</i>	<u>29,876</u>	<u>114,385</u>	<u>97,480</u>	<u>16,905</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(72,415)</u>	<u>(72,415)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(72,415)</u>	<u>(72,415)</u>
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (72,415)</u>	<u>\$ (72,415)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			72,415	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Teacher/Principal Training and Recruiting Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 190,072	\$ 206,950	\$ 172,447	\$ (34,503)
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	190,072	206,950	172,447	(34,503)
EXPENDITURES				
Instruction	43,693	58,921	30,639	28,282
Support services:				
Students	77,568	77,568	41,753	35,815
Instruction	-	-	-	-
General administration	2,623	4,273	4,246	27
School administration	66,188	66,188	48,394	17,794
Central services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	190,072	206,950	125,032	81,918
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	47,415	47,415
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	47,415	47,415
<i>Prior year cash balance</i>	-	-	(51,836)	(51,836)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (4,421)	\$ (4,421)
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(47,415)	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Safe and Drug Free Schools Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 17,583	\$ 16,095	\$ 11,125	\$ (4,970)
<i>Total revenues</i>	17,583	16,095	11,125	(4,970)
EXPENDITURES				
Instruction	10,600	9,112	3,736	5,376
Support services:				
Students	6,983	6,983	3,303	3,680
General administration	-	-	-	-
Operation & maintenance of plant	-	-	-	-
<i>Total expenditures</i>	17,583	16,095	7,039	9,056
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	4,086	4,086
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	4,086	4,086
<i>Prior year cash balance</i>	-	-	(1,937)	(1,937)
<i>End of year cash balance</i>	\$ -	\$ -	\$ 2,149	\$ 2,149
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			(250)	
Accounts receivable			(3,836)	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Rural and Low Income Schools Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 120,065	\$ 37,440	\$ (82,625)
<i>Total revenues</i>	<u>-</u>	<u>120,065</u>	<u>37,440</u>	<u>(82,625)</u>
EXPENDITURES				
Instruction	-	118,929	40,461	78,468
Support services:				
General administration	-	1,136	-	1,136
<i>Total expenditures</i>	<u>-</u>	<u>120,065</u>	<u>40,461</u>	<u>79,604</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,021)</u>	<u>(3,021)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,021)</u>	<u>(3,021)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,881)</u>	<u>\$ (2,881)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			16,019	
Deferred revenue			(12,998)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title III Immigrant Funding Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Instruction	-	38,510	25,669	12,841
<i>Total expenditures</i>	<u>-</u>	<u>38,510</u>	<u>25,669</u>	<u>12,841</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(38,510)</u>	<u>(25,669)</u>	<u>12,841</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-		-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources(uses) over expenditures</i>	<u>-</u>	<u>(38,510)</u>	<u>(25,669)</u>	<u>12,841</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>39,780</u>	<u>39,780</u>	<u>39,780</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ 1,270</u>	<u>\$ 14,111</u>	<u>\$ 52,621</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			25,669	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Reading First Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 12,623	\$ -	\$ (12,623)
<i>Total revenues</i>	<u>-</u>	<u>12,623</u>	<u>-</u>	<u>(12,623)</u>
EXPENDITURES				
Instruction	-	12,623	10,119	2,504
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,623</u>	<u>10,119</u>	<u>2,504</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,119)</u>	<u>(10,119)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,119)</u>	<u>(10,119)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(898)</u>	<u>(898)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,017)</u>	<u>\$ (11,017)</u>

RECONCILIATION TO GAAP

Adjustments:

Receivables

10,119

Net change in fund balance (GAAP basis)

\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Jobs for Americas Graduates Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance		-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Carl D Perkins Secondary Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 28,924	\$ 28,924	\$ 38,652	\$ 9,728
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	28,924	28,924	38,652	9,728
EXPENDITURES				
Instruction	28,924	23,937	23,596	341
Support services:				
School administration	-	-	-	-
Capital outlay	-	4,987	2,763	2,224
<i>Total expenditures</i>	28,924	28,924	26,359	2,565
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	12,293	12,293
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	12,293	12,293
<i>Prior year cash balance</i>	-	-	6,561	6,561
<i>End of year cash balance</i>	\$ -	\$ -	\$ 18,854	\$ 18,854
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(25,293)	
Deferred revenue			13,000	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Carl D Perkins - High Schools Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Instruction	-	-	-	-
School administration	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(10,060)	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ (10,060)	\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title VI - Comprehensive Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	499	499
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499</u>	<u>\$ 499</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Advanced Placement Incentive Grant Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	706	706
<i>End of year cash balance</i>	\$ -	\$ -	\$ 706	\$ 706

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Medicaid XIX Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 142,665	\$ 112,013	\$ (30,652)
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	-	142,665	112,013	(30,652)
EXPENDITURES				
Instruction	-	56,089	37,373	18,716
Support services:				
Students	-	192,773	166,926	25,847
General administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	2,731	2,730	1
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	251,593	207,029	44,564
<i>Excess (deficiency) of revenues over expenditures</i>	-	(108,928)	(95,016)	13,912
<i>Other financing sources (uses):</i>				
Designated cash balance	-	108,928	-	-
<i>Total other financing sources (uses)</i>	-	108,928	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(95,016)	13,912
<i>Prior year cash balance</i>	-	-	67,515	67,515
<i>End of year cash balance</i>	\$ -	\$ -	\$ (27,501)	\$ 81,427
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			18,443	
Net change in fund balance (GAAP basis)			\$ (76,573)	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title VII Systemwide Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Food services	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	788	788
<i>End of year cash balance</i>	\$ -	\$ -	\$ 788	\$ 788

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Teacher Quality Enhancement Grants Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	1	1
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1	\$ 1

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Foreign Language Incentive Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	14	14
<i>End of year cash balance</i>	\$ -	\$ -	\$ 14	\$ 14

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Bill and Melinda Gates Intel Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year cash balance</i>	-	-	5	5
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Private School Share Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	151	151
<i>End of year cash balance</i>	\$ -	\$ -	\$ 151	\$ 151

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 GRADS Child Care Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 2,924	\$ 2,924	\$ -
<i>Total revenues</i>	-	2,924	2,924	-
EXPENDITURES				
Instruction	-	2,929	2,924	5
<i>Total expenditures</i>	-	2,929	2,924	5
<i>Excess (deficiency) of revenues over expenditures</i>	-	(5)	-	5
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	(5)	-	5
<i>Prior year cash balance</i>	6,107	6,107	6,107	-
<i>End of year cash balance</i>	<u>\$ 6,107</u>	<u>\$ 6,102</u>	<u>\$ 6,107</u>	<u>\$ 5</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 TANF/GRADS HSD Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 8,000	\$ 8,000	\$ -
<i>Total revenues</i>	-	8,000	8,000	-
EXPENDITURES				
Instruction	-	8,000	9,414	(1,414)
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	-	8,000	9,414	(1,414)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,414)	(1,414)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1,414)	(1,414)
<i>Prior year cash balance</i>	-	-	(39,778)	(39,778)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (41,192)	\$ (41,192)

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 GEAR-UP USDE Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(30)	(30)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (30)	\$ (30)

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Bully Proofing Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	3,194	3,194
<i>End of year cash balance</i>	\$ -	\$ -	\$ 3,194	\$ 3,194

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Healthier Schools/Desert High Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	1	1
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1	\$ 1

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Local Combined Grant Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	621	621
<i>End of year cash balance</i>	\$ -	\$ -	\$ 621	\$ 621

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Breakfast in the Classroom Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	2	2
<i>End of year cash balance</i>	\$ -	\$ -	\$ 2	\$ 2

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Technology for Education Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 19,979	\$ 19,979	\$ 21,246	\$ 1,267
<i>Total revenues</i>	<u>19,979</u>	<u>19,979</u>	<u>21,246</u>	<u>1,267</u>
EXPENDITURES				
Instruction	19,979	55,276	55,041	235
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
Central services	-	39,889	18,761	21,128
<i>Total expenditures</i>	<u>19,979</u>	<u>95,165</u>	<u>73,802</u>	<u>21,363</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(75,186)</u>	<u>(52,556)</u>	<u>22,630</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>(75,186)</u>	<u>(52,556)</u>	<u>22,630</u>
<i>Prior year cash balance</i>	75,186	75,186	75,186	75,186
<i>End of year cash balance</i>	<u>\$ 75,186</u>	<u>\$ -</u>	<u>22,630</u>	<u>\$ 97,816</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			54,176	
Accounts payable			(1,620)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Incentives for School Improvement Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	16,152	16,152
<i>End of year cash balance</i>	\$ -	\$ -	\$ 16,152	\$ 16,152

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Libraries - GO Bond Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(635)	(635)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (635)	\$ (635)

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Beginning Teacher Mentoring Program Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 16,017	\$ 16,017	\$ -
<i>Total revenues</i>	<u>-</u>	<u>16,017</u>	<u>16,017</u>	<u>-</u>
EXPENDITURES				
Instruction	-	16,017	7,852	8,165
<i>Total expenditures</i>	<u>-</u>	<u>16,017</u>	<u>7,852</u>	<u>8,165</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>8,165</u>	<u>8,165</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>8,165</u>	<u>8,165</u>
<i>Prior year cash balance</i>	<u>6,976</u>	<u>6,976</u>	<u>6,976</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ 6,976</u>	<u>\$ 6,976</u>	<u>\$ 15,141</u>	<u>\$ 8,165</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			(8,165)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Breakfast for Elementary Students Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 37,548	\$ 37,548	\$ -
<i>Total revenues</i>	-	37,548	37,548	-
EXPENDITURES				
Support services:				
Food service	-	37,548	37,548	-
<i>Total expenditures</i>	-	37,548	37,548	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 School Based Health Center Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
Revenue from state sources	-	127,931	127,931	-
<i>Total revenues</i>	-	127,931	127,931	-
EXPENDITURES				
Support services:				
Students	-	127,931	127,931	-
<i>Total expenditures</i>	-	127,931	127,931	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

RECONCILIATION TO GAAP

Adjustments:

Change in:

Accounts receivable

26,400

Accounts payable

(26,400)

Net change in fund balance (GAAP basis)

\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Adequacy Tech Equity Grant Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ 450,615	\$ 450,615
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>450,615</u>	<u>450,615</u>
EXPENDITURES				
Instruction	-	-	3,847	(3,847)
Student services:				
Instruction	-	-	-	-
Capital outlay	-	-	199	(199)
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>4,046</u>	<u>(4,046)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>446,569</u>	<u>446,569</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	200,550	-	(200,550)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>200,550</u>	<u>-</u>	<u>(200,550)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>200,550</u>	<u>446,569</u>	<u>246,019</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(325,982)</u>	<u>(325,982)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ 200,550</u>	<u>\$ 120,587</u>	<u>\$ (79,963)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			(120,586)	
Receivables			(325,983)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Truancy Initiative PED Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 12,796	\$ 13,891	\$ 1,095
<i>Total revenues</i>	<u>-</u>	<u>12,796</u>	<u>13,891</u>	<u>1,095</u>
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Community services	-	12,796	12,738	58
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,796</u>	<u>12,738</u>	<u>58</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>1,153</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>1,153</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,153</u>	<u>\$ 1,153</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(1,153)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Libraries - SB 301 GO Bonds-Laws of 2006 Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenue from state sources	\$ -	\$ 30,908	\$ -	\$ (30,908)
<i>Total revenues</i>	-	30,908	-	(30,908)
EXPENDITURES				
Support Services				
Instruction	-	30,908	29,739	1,169
<i>Total expenditures</i>	-	30,908	29,739	1,169
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(29,739)	(29,739)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(29,739)	(29,739)
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ (29,739)	\$ (29,739)

RECONCILIATION TO GAAP

Adjustments:

Change in:

Accounts receivable	23,339
Deferred revenue	6,400
Net change in fund balance (GAAP basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Gear Up CHE Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 59,731	\$ 26,600	\$ (33,131)
<i>Total revenues</i>	-	59,731	26,600	(33,131)
EXPENDITURES				
Instruction	-	59,731	32,782	26,949
School Admin	-	-	-	-
<i>Total expenditures</i>	-	59,731	32,782	26,949
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(6,182)	(6,182)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(6,182)	(6,182)
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ (6,182)	\$ (6,182)

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

6,182

Net change in fund balance (GAAP basis)

\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Early Intervention CYFD Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ 9,599	\$ 9,599
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,599</u>	<u>9,599</u>
EXPENDITURES				
Instruction	-	75,310	31,422	43,888
<i>Total expenditures</i>	<u>-</u>	<u>75,310</u>	<u>31,422</u>	<u>43,888</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(75,310)</u>	<u>(21,823)</u>	<u>53,487</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>(75,310)</u>	<u>(21,823)</u>	<u>53,487</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>75,310</u>	<u>75,310</u>	<u>75,310</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,487</u>	<u>\$ 128,797</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Schools in Need of Improvement Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 92,869	\$ 62,764	\$ (30,105)
<i>Total revenues</i>	<u>-</u>	<u>92,869</u>	<u>62,764</u>	<u>(30,105)</u>
EXPENDITURES				
Instruction	-	92,869	92,723	146
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>92,869</u>	<u>92,723</u>	<u>146</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(29,959)</u>	<u>(29,959)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(29,959)</u>	<u>(29,959)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,959)</u>	<u>\$ (29,959)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			29,959	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 State Equalization Guarantee Federal Stimulus Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 1,583,918	\$ 2,177,347	\$ 1,565,755	\$ (611,592)
<i>Total revenues</i>	<u>1,583,918</u>	<u>2,177,347</u>	<u>1,565,755</u>	<u>(611,592)</u>
EXPENDITURES				
Instruction	1,583,918	2,177,347	2,176,666	681
<i>Total expenditures</i>	<u>1,583,918</u>	<u>2,177,347</u>	<u>2,176,666</u>	<u>681</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(610,911)</u>	<u>(610,911)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(610,911)</u>	<u>(610,911)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (610,911)</u>	<u>\$ (610,911)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			611,593	
Deferred revenue			(682)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Dual Credit Instructional Materials Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 30,000	\$ 12,229	\$ (17,771)
<i>Total revenues</i>	<u>-</u>	<u>30,000</u>	<u>12,229</u>	<u>(17,771)</u>
EXPENDITURES				
Support Services				
Instruction	-	30,000	12,229	17,771
<i>Total expenditures</i>	<u>-</u>	<u>30,000</u>	<u>12,229</u>	<u>17,771</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 GO Student Library Funds Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 34,653	\$ -	\$ (34,653)
<i>Total revenues</i>	<u>-</u>	<u>34,653</u>	<u>-</u>	<u>(34,653)</u>
EXPENDITURES				
Support Services				
Instruction	-	34,653	63	34,590
<i>Total expenditures</i>	<u>-</u>	<u>34,653</u>	<u>63</u>	<u>34,590</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(63)</u>	<u>(63)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(63)</u>	<u>(63)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63)</u>	<u>\$ (63)</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

63

Net change in fund balance (GAAP basis)

\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Schools in Need of Improvement Framework Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 16,000	\$ -	\$ (16,000)
<i>Total revenues</i>	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
EXPENDITURES				
Support services:				
Instruction	-	16,000	15,991	9
<i>Total expenditures</i>	<u>-</u>	<u>16,000</u>	<u>15,991</u>	<u>9</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,991)</u>	<u>(15,991)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,991)</u>	<u>(15,991)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,991)</u>	<u>\$ (15,991)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			15,991	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 School Library Material Fund Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 9,834	\$ 9,834	\$ -
<i>Total revenues</i>	<u>-</u>	<u>9,834</u>	<u>9,834</u>	<u>-</u>
EXPENDITURES				
Support services:				
Instruction	-	9,834	8,298	1,536
<i>Total expenditures</i>	<u>-</u>	<u>9,834</u>	<u>8,298</u>	<u>1,536</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,536</u>	<u>1,536</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,536</u>	<u>1,536</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ 1,536</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			(1,536)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title I - IASA Federal Stimulus Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 216,622	\$ 430,988	\$ 45,183	\$ (385,805)
<i>Total revenues</i>	<u>216,622</u>	<u>430,988</u>	<u>45,183</u>	<u>(385,805)</u>
EXPENDITURES				
Instruction	216,622	428,029	66,831	361,198
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	2,959	2,959	-
School administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>216,622</u>	<u>430,988</u>	<u>69,790</u>	<u>361,198</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(24,607)</u>	<u>(24,607)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(24,607)</u>	<u>(24,607)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,607)</u>	<u>\$ (24,607)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			24,607	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 IDEA - B Risk Pool Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 7,468	\$ 7,467	\$ (1)
<i>Total revenues</i>	-	7,468	7,467	(1)
EXPENDITURES				
Instruction	-	7,468	7,467	1
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	7,468	7,467	1
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title I - Schools in Need of Improvement Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 80,000	\$ 56,685	\$ (23,315)
<i>Total revenues</i>	-	80,000	56,685	(23,315)
EXPENDITURES				
Instruction	-	80,000	76,866	3,134
<i>Total expenditures</i>	-	80,000	76,866	3,134
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(20,181)	(20,181)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(20,181)	(20,181)
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ (20,181)	\$ (20,181)
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			20,181	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Special Education Entitlement Federal Stimulus Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 385,386	\$ 771,627	\$ 510,913	\$ (260,714)
<i>Total revenues</i>	<u>385,386</u>	<u>771,627</u>	<u>510,913</u>	<u>(260,714)</u>
EXPENDITURES				
Instruction	385,386	720,377	531,039	189,338
Support services:				
Students	-	51,250	44,363	6,887
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>385,386</u>	<u>771,627</u>	<u>575,402</u>	<u>196,225</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(64,489)</u>	<u>(64,489)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(64,489)</u>	<u>(64,489)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,489)</u>	<u>\$ (64,489)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			64,489	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Special Education Preschool Federal Stimulus Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 14,433	\$ 29,037	\$ 16,996	\$ (12,041)
<i>Total revenues</i>	<u>14,433</u>	<u>29,037</u>	<u>16,996</u>	<u>(12,041)</u>
EXPENDITURES				
Instruction	14,433	29,037	20,277	8,760
<i>Total expenditures</i>	<u>14,433</u>	<u>29,037</u>	<u>20,277</u>	<u>8,760</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,281)</u>	<u>(3,281)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,281)</u>	<u>(3,281)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,281)</u>	<u>\$ (3,281)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			3,281	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Education of Homeless Federal Stimulus Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 10,000	\$ -	\$ (10,000)
<i>Total revenues</i>	-	10,000	-	(10,000)
EXPENDITURES				
Instruction	-	10,000	89	9,911
<i>Total expenditures</i>	-	10,000	89	9,911
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(89)	(89)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(89)	(89.00)
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ (89)	\$ (89)
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			89	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Special Capital Outlay State Capital Project Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 1,151,361	\$ 1,151,361	\$ 189,608	\$ (961,753)
<i>Total revenues</i>	1,151,361	1,151,361	189,608	(961,753)
EXPENDITURES				
Capital outlay	1,199,063	1,199,063	294,399	904,664
<i>Total expenditures</i>	1,199,063	1,199,063	294,399	904,664
<i>Excess (deficiency) of revenues over expenditures</i>	(47,702)	(47,702)	(104,791)	(57,089)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(47,702)	(47,702)	(104,791)	(57,089)
<i>Prior year cash balance</i>	104,791	104,791	104,791	104,791
<i>End of year cash balance</i>	\$ 57,089	\$ 57,089	\$ -	\$ 47,702
RECONCILIATION TO GAAP				
Adjustments:				
Accounts payable			26,581	
Net change in fund balance (GAAP basis)			(78,210)	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Capital Improvement HB-33 Capital Project Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,388,837	\$ 1,388,837	\$ 1,407,038	\$ 18,201
Revenue from state sources	-	-	-	-
Investment income	5,000	5,000	952	(4,048)
<i>Total revenues</i>	1,393,837	1,393,837	1,407,990	14,153
EXPENDITURES				
Support services:				
General administration	3,050	3,225	3,224	1
Capital outlay	3,679,137	3,678,962	1,080,049	2,598,913
<i>Total expenditures</i>	3,682,187	3,682,187	1,083,273	2,598,914
<i>Excess (deficiency) of revenues over expenditures</i>	(2,288,350)	(2,288,350)	324,717	2,613,067
<i>Other financing sources (uses):</i>				
Designated cash balance	2,288,350	2,288,350	-	(2,288,350)
<i>Total other financing sources (uses)</i>	2,288,350	2,288,350	-	(2,288,350)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	324,717	324,717
<i>Prior year cash balance</i>	-	-	1,550,693	1,550,693
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1,875,410	\$ 1,875,410
RECONCILIATION TO GAAP				
Adjustments:				
Accounts payable			56,603	
Deferred revenue			(661)	
Accounts receivable			81,073	
Net change in fund balance (GAAP basis)			\$ 461,732	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Technology Bonds Debt Service Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 1,069	\$ 1,069
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,069</u>	<u>1,069</u>
EXPENDITURES				
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,069</u>	<u>1,069</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,069</u>	<u>1,069</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>58,625</u>	<u>58,625</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,694</u>	<u>\$ 59,694</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			<u>(1,068)</u>	
Net change in fund balance (GAAP basis)			<u>1</u>	

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Fiduciary Funds
June 30, 2010**

Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Lovington Municipal School District has two separate funds classified as Agency Funds as follows:

Student Activity - To account for Elementary, Junior High, and Senior High assets held by the District until distributed to various organizations and clubs at the schools.

Other Funds - To account for assets held by the District until distributed to the other organizations.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Schedule of Changes in Assets and Liabilities
Activity Trust Fund
For the Year Ended June 30, 2010

	Balance 06/30/09	Transfers	Additions	Deductions	Balance 06/30/10
High School Yearbook	\$ 15,288		11,393	23,659	\$ 3,022
6th Grade Energy Club	154		-	-	154
Business Professional of America	3,040		-	-	3,040
7th Grade Choir	138		-	-	138
Key Club	1,616		826	774	1,668
AP Consumable Lab/Cavine	286		-	-	286
Cheerleaders-High School	2,287	(689)	8,069	8,217	1,450
Cheerleaders-Jr. High	2,604	689	3,852	5,881	1,264
6th Grade Academy Technology Fund	147	(147)	-	-	-
Communication	238		1,360	1,511	87
Consumable Workbooks	108		-	-	108
Multicultural Conf. Fund	18,271	(18,271)	-	-	-
Llano Activity Fund	1,394		1,119	1,000	1,513
FFA	16,156		40,725	37,212	19,669
LHS FCCLA	1,492		9,884	7,900	3,476
FHA-Jr. High	28		-	-	28
Scholarship Activity	6,999		925	2,676	5,248
High School Computer Lab-NMJC	6,517		-	916	5,601
HS Student ID	987		-	-	987
TMS Technology	147		-	-	147
Administration Coke Fund	103		34	-	137
Judy Davis Memorial	398		-	-	398
TMS Activity Account	256		14,401	11,416	3,241
6th Grade Activity Account	4,109	147	17,353	14,981	6,628
Junior Class	7,746	(4,042)	5,845	3,438	6,111
Library Fines	1,504		-	-	1,504
Miscellaneous	17,931		6,830	9,709	15,052
NOW/Account/Interest Earned	1,573		424	-	1,997
Senior Class	566	4,042	-	1,574	3,034
Sophomore Class	179		-	(79)	258
Choir Activity	138		1,882	-	2,020
Special Education Fund	596		14,582	12,007	3,171
TMS Honor Society	5,210		1,569	3,914	2,865
Student Council-High School	1,972		5,819	3,127	4,664
Student Council-Jr. High	174		120	-	294
6th Grade Honor Society	6,876		1,015	3,554	4,337
Summer School	9,668		3,700	-	13,368
Volleyball - High School	119		-	-	119
9th Grade Home Economics	683		-	108	575

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Schedule of Changes in Assets and Liabilities
Activity Trust Fund
For the Year Ended June 30, 2010

	Balance 06/30/09	Transfers	Additions	Deductions	Balance 06/30/10
ACTIVITY ASSETS (continued)					
A.K. Head Scholarship	3,420		79	-	3,499
H. Clardy Scholarship	6,417		70	500	5,987
Crouse Memorial Scholarship	11,009		452	1,500	9,961
Volleyball - Junior High	323		-	-	323
Wal-Mart Teacher of the Year	33		-	-	33
9th Media Class	1,041		-	-	1,041
Ben Alexander Activity	4,165		4,759	4,550	4,374
Task Force for Substance	1,250		-	-	1,250
Project Planned Success	-		1,115	-	1,115
National Honor Society	1,031		738	711	1,058
TMS Library/M. Gutierrez	1,259		1,777	1,526	1,510
Jr. High Library	433		-	79	354
Jefferson Activity Fund	2,102	18,349	8,979	14,675	14,755
District 4AAA Activity Fund	3,281		5,622	5,710	3,193
LJHS Media Class	152		-	-	152
After Grads	2,620		21,226	9,526	14,320
High School Library	3,660		3,042	922	5,780
Junior High Home Economics	695		-	-	695
Jr. High National Honor Society	211		-	-	211
Culinary Arts Lab Fee	2,698		656	1,457	1,897
High School Principals Coke Acct.	-		1,030	946	84
LJHS Dance	1,732		-	700	1,032
High School Math-Ancell	759		550	110	1,199
High School Parking Sticker-A.K.	390		-	-	390
Yarbro Library	1,176		8,805	9,158	823
Jefferson Library	7,165		6,441	5,438	8,168
Ben A. Library	2,624		6,871	7,652	1,843
Lea Library	434		6,478	6,675	237
Llano Library	2,720		6,053	5,603	3,170
Bob Jameson Memorial	4,325		-	2,000	2,325
Freshman Academy Volleyball	63		-	-	63
Elementary Fine Arts - Belinda	9,752		3,710	-	13,462
High School Art Club	295		-	-	295
9th Grade Student Council	1,644		-	211	1,433
Brian Urlacher Scholarship	3,125		-	-	3,125
David Templeman Memorial	7,815		250	-	8,065
Wildcat Tale	1,319		-	-	1,319
FCA/AK Lovejoy	1		-	-	1

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Schedule of Changes in Assets and Liabilities
 Activity Trust Fund
 For the Year Ended June 30, 2010

	Balance 06/30/09	Transfers	Additions	Deductions	Balance 06/30/10
ACTIVITY ASSETS (continued)					-
Bilingual/J. Paloma	78	(78)	-	-	-
LEA Activity Fund	3,873		1,827	649	5,051
High School Tech Lab	800		-	-	800
Yarbro Activity Account	6,662		27,640	26,018	8,284
9th Grade FHA	27		-	-	27
Character Counts-Becky Davis	5		-	-	5
Science Activity Fund	4,789		5,350	4,951	5,188
Department of Public Safety	413		4,155	3,752	816
Jr. High Lounge Cokes	876		125	-	1,001
HS - PSAT Testing	67		273	299	41
9th Dance Fund	672		-	23	649
NHHS Activity	673		2,156	781	2,048
9th Grade Cheerleader Fund	1,999		2,671	3,109	1,561
Aaron Austin Scholarship	335		-	-	335
J.D. Fry Scholarship	300		-	-	300
High School Band	1,859		2,842	4,079	622
Caprock Pipe Supply Scholarship	8,802		-	-	8,802
PNM Grants	6		-	-	6
Urlacher Royalties	3,118		-	-	3,118
Total Assets	\$ 264,191	\$ -	\$ 287,469	\$ 276,805	\$ 274,855

ACTIVITY LIABILITIES

Due to Student Groups
and other agencies

Total Liabilities	\$ 264,191	\$ -	\$ 287,469	\$ 276,805	\$ 274,855
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OTHER AGENCY FUNDS

ASSETS

NMPSIA Insurance	\$ 541,098	\$ (541,098)	\$ -	\$ -	\$ -
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LIABILITIES

Due to Other Agencies	\$ 541,098	\$ (541,098)	\$ -	\$ -	\$ -
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TOTAL AGENCY FUNDS

ASSETS	\$ 805,289	\$ (541,098)	\$ 287,469	\$ 276,805	\$ 274,855
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DEPOSITS HELD IN TRUST FOR
OTHERS

	\$ 805,289	\$ (541,098)	\$ 287,469	\$ 276,805	\$ 274,855
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Schedule of Collateral Pledged by Depository
June 30, 2010

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2010	Name and Location of Safekeeper
Western Commerce Bank	FHLMC #390234 Due 4/01/30	\$ 43,160	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC #420041 Due 09/18/18	26,854	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC #420175B Due 03/01/19	29,806	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8076 Due 11/20/22	40,636	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80362 Due 01/20/30	65,804	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80364 Due 01/20/30	30,106	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8302 Due 10/20/23	26,730	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80470 Due 11/20/30	25,629	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80170 Due 2/20/28	70,176	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80478 Due 12/20/30	59,397	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #859285 ^s Due 2/20/27	51,243	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8146 Due 02/20/23	91,392	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8204 Due 03/20/17	86,934	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA #21564 Due 11/01/25	18,729	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 62667 Due 02/01/18	14,147	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA #64731 Due 12/1/27	33,896	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 254914 Due 09/01/13	115,280	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 254989 Due 11/01/13	169,535	Federal Home Loan Bank Dallas, TX

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Schedule of Collateral Pledged by Depository
June 30, 2010

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2010	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 705683 Due 10/01/33	167,160	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 879518 Due 03/01/26	1,082,433	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA # 008308 Due 01/20/18	151,164	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 654159 Due 10/1/32	729,647	Federal Home Loan Bank Dallas, TX
		<u>3,129,858</u>	
Lea County State Bank	Univ NM Gallup 5% Due 06/01/15	<u>500,000</u>	Lea County State Bank
Wells Fargo Bank	FNMA # 896548 7/1/36	213,267	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 899178 2/1/36	854,236	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 975338 5/1/38	1,027,280	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA #888021 12/1/36	1,687,113	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 986519 6/1/38	398,807	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 988223 12/1/38	178,413	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 995049 2/1/38	2,454,618	Wells Fargo Bank Northwest, NA Salt Lake City, UT
		<u>6,813,734</u>	
		<u>\$ 10,443,592</u>	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Schedule of Cash and Temporary Investments by Depository
June 30, 2010

Deposit or Investment Account Type	Western Commerce Bank	Lea County State Bank	Wells Fargo Bank	Total
Checking	\$ 2,698,442	\$ 333,682	\$ 1,079,179	\$ 4,111,303
Checking	486,834	-	3,924,565	4,411,399
Checking	584,802	-	2,852,081	3,436,883
Checking	254,478	-	-	254,478
CD	5,526	-	-	5,526
CD	18,764	-	-	18,764
CD	8,783	-	-	8,783
CD	82,284	-	-	82,284
Total on deposit	4,139,913	333,682	7,855,825	12,329,420
Reconciling items	(712,450)	(7,223)	(2,260)	(721,933)
Reconciled balance at June 30, 2010	<u>\$ 3,427,463</u>	<u>\$ 326,459</u>	<u>\$ 7,853,565</u>	<u>\$ 11,607,487</u>
Reconciliation to financial statements:				
Cash and cash equivalents:				
				\$ 11,332,632
				274,855
				<u>\$ 11,607,487</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Cash Reconciliation
 June 30, 2010

	Operational Account	Payroll Clearing	ERA Clearing/ NMPSIA	Transportation Account
Cash, June 30, 2009	\$ 1,773,041	\$ 4,102	\$ 81,528	\$ 994
Add:				
2009-10 revenues	22,683,184	-	-	1,101,598
Prior year void warrants	1,433	-	-	-
Adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	24,457,658	4,102	81,528	1,102,592
Less:				
2009-10 expenditures	(21,936,976)	-	-	(1,101,598)
Refunds	-	-	-	-
Change in insurance accounts	-	-	-	-
Change in clearing accounts	-	17,230	456,553	-
Investments	-	-	-	-
Cash transfers	(1,064)	-	541,098	-
Miscellaneous	(72,740)	-	-	-
Loans to other funds	(475,000)	-	-	-
Reclassification of deficit cash balances	101,616	-	-	-
Cash, June 30, 2010	<u>\$ 2,073,494</u>	<u>\$ 21,332</u>	<u>\$ 1,079,179</u>	<u>\$ 994</u>
Bank balance end of year	\$ 2,354,432	\$ 584,801	\$ 1,079,179	\$ 9,408
Outstanding checks	(102,390)	(563,469)	-	(8,414)
Interest earned	-	-	-	-
Deposits in transit	82	-	-	-
Adjustment for voided checks	-	-	-	-
Amount held in escrow	-	-	-	-
Miscellaneous	-	-	-	-
Reclassification of deficit cash balances	(178,630)	-	-	-
Cash, June 30, 2010	<u>\$ 2,073,494</u>	<u>\$ 21,332</u>	<u>\$ 1,079,179</u>	<u>\$ 994</u>

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

<u>Instructional Materials Account</u>	<u>Food Services Account</u>	<u>Athletics Account</u>	<u>Federal Projects Account</u>	<u>Activities</u>	<u>State and Other Grants</u>
\$ 205,749	\$ 135,203	\$ 139,640	\$ 639,317	\$ 804,225	\$ 180,025
154,753	1,322,677	89,930	4,221,502	287,468	788,273
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
360,502	1,457,880	229,570	4,860,819	1,091,693	968,298
(203,159)	(1,203,401)	(62,979)	(4,963,185)	(276,862)	(487,165)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(539,946)	(635)
-	4	269	77,652	(30)	(24,607)
-	-	-	475,000	-	-
-	-	-	-	-	(101,616)
<u>\$ 157,343</u>	<u>\$ 254,483</u>	<u>\$ 166,860</u>	<u>\$ 450,286</u>	<u>\$ 274,855</u>	<u>\$ 354,275</u>
\$ 157,343	\$ 254,479	\$ 166,860	\$ 486,834	\$ 282,079	\$ 177,258
-	-	-	(36,548)	(7,224)	(1,613)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4	-	-	-	-
-	-	-	-	-	178,630
<u>\$ 157,343</u>	<u>\$ 254,483</u>	<u>\$ 166,860</u>	<u>\$ 450,286</u>	<u>\$ 274,855</u>	<u>\$ 354,275</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Cash Reconciliation
 June 30, 2010

	Spec. Cap. Outlay-State	Cap.Improv. HB-33	Cap. Improve - SB-9
Cash, June 30, 2009	\$ 104,790	\$ 1,550,693	\$ 3,148,894
Add:			
2009-10 revenues	189,608	1,407,990	1,793,078
Prior year void warrants	-	-	-
Adjustment	-	-	-
Loans from other funds	-	-	-
Total cash available	294,398	2,958,683	4,941,972
Less:			
2009-10 expenditures	(294,398)	(1,083,273)	(2,893,234)
Refunds	-	-	-
Change in insurance accounts	-	-	-
Change in clearing accounts	-	-	-
Investments	-	(952)	(892)
Cash transfers	-	-	-
Miscellaneous	-	-	-
Loans to other funds	-	-	-
Reclassification of deficit cash balances	-	-	-
Cash, June 30, 2010	<u>\$ -</u>	<u>\$ 1,874,458</u>	<u>\$ 2,047,846</u>
Bank balance end of year	\$ -	\$ 1,874,458	\$ 2,050,106
Outstanding checks	-	-	(2,260)
Interest earned	-	-	-
Deposits in transit	-	-	-
Adjustment for voided checks	-	-	-
Amount held in escrow	-	-	-
Miscellaneous	-	-	-
Reclassification of deficit cash balances	-	-	-
Cash, June 30, 2010	<u>\$ -</u>	<u>\$ 1,874,458</u>	<u>\$ 2,047,846</u>

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

<u>Debt Service</u>	<u>Educational Technology Debt Service</u>	<u>Bond Building</u>	<u>Total</u>
\$ 2,708,428	\$ 58,625	\$ 2,849,401	\$ 14,384,655
2,253,461	1,071	-	36,294,593
-	-	-	1,433
-	-	-	-
-	-	-	-
4,961,889	59,696	2,849,401	50,680,681
(2,169,503)	-	(2,849,401)	(39,525,134)
-	-	-	-
-	-	-	-
-	-	-	473,783
-	-	-	(1,844)
-	-	-	(547)
-	-	-	(19,452)
-	-	-	-
-	-	-	-
<u>\$ 2,792,386</u>	<u>\$ 59,696</u>	<u>\$ -</u>	<u>\$ 11,607,487</u>
\$ 2,792,386	\$ 59,696	\$ -	\$ 12,329,319
-	-	-	(721,918)
-	-	-	-
-	-	-	82
-	-	-	-
-	-	-	-
-	-	-	4
-	-	-	-
<u>\$ 2,792,386</u>	<u>\$ 59,696</u>	<u>\$ -</u>	<u>\$ 11,607,487</u>

COMPLIANCE SECTION



JOHNSON, MILLER & CO.
Certified Public Accountants
A Professional Corporation

An Independent Member Of BDO Seidman Alliance

Hobbs, New Mexico
Midland, Texas
Odessa, Texas

**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 H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Lovington Municipal School District
Lovington, NM

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund, and the combining and individuals funds and related budgetary comparisons presented as supplemental information of the Lovington Municipal School District, (the "District"), as of and for the year ended June 30, 2010, and have issued our report there on dated November 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2007-03 and 2008-01.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies: 2010-02.

Compliance and Other Matters

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

We noted certain matters that are 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 are described in the accompanying schedule of findings and questioned costs as findings 2006-7, 2007-04, 2008-02, 2008-07, 2008-11, 2009-01, and 2010-01.

This report is intended solely for information and use of management, the Lovington Municipal School District Board of Education and its' committees, the New Mexico State Legislature and its committees, federal awarding agencies and pass-through entities and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Miller & Co.

Johnson, Miller & Co.
November 15, 2010



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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Lovington Municipal School District
Lovington, NM

Compliance

We have audited the compliance of the Lovington Municipal School District (the "District") 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. The District'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 the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider 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 the District's compliance with those requirements.

In our opinion, the District 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying schedule of findings and questioned costs as items 2006-11, 2007-06, 2008-09, 2008-10, and 2010-02.

Internal Control Over Compliance

The management of the District 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 the District'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 an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned function, 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 in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2008-09. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Lovington Municipal School District Board of Education, others within the entity, the New Mexico Public Education Department, 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.

Johnson, Miller & Co.

Johnson, Miller & Co.
November 15, 2010

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

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U.S. Department of Agriculture</u>			
Pass-Through State Department of Education			
USDA National School Lunch Program	10.555	21000	682,046 (1)
USDA National School Breakfast Program	10.553	21000	426,506 (1)
Total Child Nutrition Cluster			<u>1,108,552</u>
Pass-Through State Department of Human Services			
USDA Commodities Program	10.550	21000	63,201
Total Commodities Program			<u>63,201</u>
Total U.S. Department of Agriculture			1,171,753
<u>U.S. Department of Education</u>			
Pass-Through State Department of Education			
Special Education Cluster:			
IDEA, Part B, Entitlement	84.027	24106	766,080 (1)
IDEA, Preschool	84.173	24109	27,356 (1)
IDEA-B "Risk Pool"	84.173	24120	7,467 (1)
IDEA-B Entitlement-Federal Stimulus	84.391	24206	575,402 (1)
IDEA-B Preschool-Federal Stimulus	84.392	24209	20,277 (1)
Total Special Education Cluster			<u>1,396,582</u>
Title I Cluster			
ESEA Title I Basic	84.010	24101	639,759 (1)
Title I IASA - Federal Stimulus	84.389	24201	69,790 (1)
Total Title I Cluster			<u>709,549</u>
Other:			
EDEA Title I Migrant	84.011	24103	36,898
Title I Section 1003 G Grant	84.388	24124	7,282
Title III - English Language Acquisition	84.365	24153	97,479
Title II A	84.164	24154	125,032
Title IV-A	84.186	24157	7,038
Rural/Low Income	84.358	24160	40,461
School Improvement - Section 1003A	84.377	24162	76,866
Title III Immigrant	84.365A	24163	25,669
Reading First	84.357	24167	10,119

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

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

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
Carl D. Perkins Secondary-Current	84.048	24174	26,359
Education of Homeless-Federal Stimulus	84.389	84.387	89
State Equalization Guarantee-Federal Stimulus	84.394	25250	<u>2,176,666</u> (1)
Total Other Grants			2,629,958
 Total U.S. Department of Education			 4,736,089
 <u>Department of Health & Human Services</u>			
Direct Programs:			
Medicaid	93.778	25153	207,030
GRADS Child Care	93.037	25149	2,924
Temp Asst for Needy Families	93.558	25162	<u>9,414</u>
Total Direct Programs			219,368
 Total Department of Health & Human Services			 <u>219,368</u>
 Total Federal Assistance			 <u>\$ 6,127,210</u>

(1)-Denotes programs audited as major.

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the budgetary basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the presentation of the governmental fund financial statements may not be consistent with the amounts used in the Schedule of Expenditures of Federal Awards.

The District receives USDA Commodities for use in sponsorship of the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2010 was \$63,201 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs
June 30, 2010**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the government wide statement of activities and the fund financial statements of revenue, expenditures and changes in fund balance and budgetary comparisons.
2. Ten reportable conditions were disclosed during the audit of the financial statements of the primary government; two were considered material weaknesses and one was considered a significant deficiency.
3. Five reportable conditions were identified during the audit of internal control over major federal award programs.
4. Five reportable conditions were identified during the audit of compliance over major federal award programs.
5. The auditor's report on compliance for major federal award programs for Lovington Municipal School District expresses an unqualified opinion on all federal programs.
6. There were five audit findings that were required to be reported in accordance with OMB Circular A-133, Section 510(a).
7. The programs tested as major were:
 - Title I, Part A of ESEA; CFDA No. 84.010
 - Title I IASA-Federal Stimulus No. 84.389
 - Special Education IDEA-B CFDA No. 84.027
 - Special Education IDEA-Preschool CFDA No. 84.173
 - Special Education IDEA-B Risk Pool CFDA No. 84.173
 - Special Education IDEA-B –Entitlement Federal Stimulus
CFDA No. 84.391
 - Special Education IDEA-B –Preschool Federal Stimulus
CFDA No. 84.392
 - School Lunch Program 10.555
 - School Breakfast Program 10.553
 - State Equalization Guarantee-Federal Stimulus CFDA No. 84.394
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Lovington Municipal School District was determined not to be a low-risk auditee.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit

2006-07 LATE REPORT-Repeated

Condition

The District's June 30, 2010 audit report was not submitted to the state auditor by November 15, 2010.

Criteria

New Mexico State Auditor Rule 2.2.2 NMAC Section 2.2.2.9 (A) requires that the audit report be filed by November 15th.

Cause

Fieldwork for the 2006-2007 audit was not completed until February 2010, which delayed the audit process for the 2007-2008, 2008-2009, and 2009-2010 school year.

Effect

The result of not submitting financial statements to the State Auditor could affect the amount of funding for future years and bond rating.

Recommendation

We recommend that the District implement procedures to ensure that the books are kept in good order to enable auditing procedures to be performed on a timely basis.

Agency Response

The District now keeps its books in good order and since only one audit will need to be performed, the District will have procedures in place to submit a timely 2010-2011 audit report to the State Auditor.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2007-03 RECORD KEEPING-Repeated

Condition

Cash in the ERA clearing and payroll clearing accounts are not recorded in the general ledger. Balances in the bank accounts in excess of outstanding employee payroll checks represent amounts owed to the Education Retirement Board or the IRS for tax withholding.

Criteria

6.20.2.13 of the NMAC states that all school districts shall establish and maintain a general ledger in accordance with GAAP. The general ledger will be comprised of individual funds using the department's uniform chart of accounts and shall be reconciled every fiscal year with department records.

Cause

The accounts have not been set up in the general ledger because they typically have a zero balance.

Effect

The District's financial statements could understate cash and payroll related liabilities.

Recommendation

We recommend that the District record the transfer of cash to these two clearing accounts along with the related payroll liabilities for each payroll.

Agency Response

Cash in the ERA and clearing accounts has never been recorded in general ledger. Entries are made internally in the payroll program. The District will set up accounts to record transfers to ERA & payroll clearing.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit

2007-04-OVERSPENDING OF CERTAIN BUDGET LINE ITEMS -Repeated

Condition

During our audit we noted that three line items had expenditures in excess of budget amounts. There was one instance in the TANF/GRADS fund for \$1,414 and two instances in the Adequacy Tech Grant Fund for \$3,847 and \$199.

Criteria

New Mexico State budgeting requirement 6.20.2.9 NMSA 1978 set forth budget preparation standards and states that budgetary control shall be at the function level for each fund and that over-expenditure of a function shall not be allowed.

Cause

No budget line item transfers for the overages were proposed or approved the school board.

Effect

The District overspent funds in the TANF/GRADS fund and the expenditures out of the Adequacy Tech Grant Fund were not budgeted.

Recommendation

We recommend grant managers or other responsible party review budget to actual expenditures to determine if budget transfers or additions need to be made.

Agency Response

The District will review budget to actual expenditures to determine if transfers need to be made.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2008-01 SEGREGATION OF DUTIES-PAYROLL-Repeated

Condition

Employees are added to the payroll system by the payroll clerk and records are not verified with the human resource department. The payroll clerk also prints and stuffs payroll checks.

Criteria

According to 6.20.2.11 NMAC, "every school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions."

Cause

The payroll clerk has access and authority to add new employees.

Effect

The payroll clerk was able to add and pay fictitious employees during the 2008-2009 and 2009-2010 school years.

Recommendation

We recommend that the District cross-train the human resource clerk to input new employees into the payroll system and restrict the ability for the new payroll clerk to input new employees or implement procedures to allow other district personnel to verify that all payroll related changes are valid.

Agency Response

As a compensating control, our new software will allow the Business Manager to print a report of all payroll changes per pay period. This report will be reviewed by the Business Manager, HR, and the payroll clerk for reconciliation purposes.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2008-02 EMPLOYMENT ELIGIBILITY DOCUMENTATION-Repeated

Condition

The required form for employment eligibility documentation, the IRS I-9, was not completed or was not completed correctly for seven of the forty employees tested. Two regular employees did not contain an I-9 form, and two were not completed correctly. Also, three student workers paid out of Special Education funds as part of their individual education plans did not complete I-9 forms.

Criteria

NMAC states “School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.”

Cause

Current and previous staff in the human resource position have not been properly trained to complete the I-9 form.

Effect

The District risks fines of \$110-\$1,100 related to each I-9 form missing or not properly completed.

Recommendation

We recommend that the District staff obtain the necessary training to properly complete the I-9 form as well as obtain corrected forms for those identified as improperly prepared.

Agency Response

The District will make sure HR employees receive proper training. HR will obtain corrected forms for improperly prepared forms.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2008-07 PAY RATE-Repeated

Condition

Substitute teachers sign a contract with a pay rate schedule, but the applicable pay rate is not indicated on the contract.

Criteria

NMAC 6.20.2.18 states that “School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.”

Cause

The District’s policies did not require the pay rate to be indicated on the schedule.

Effect

Pay for substitute teachers could have been at the incorrect rate.

Recommendation

We recommend that the pay rate be clearly stated on the substitute teachers’ contract.

Agency Response

HR has adjusted the substitute teacher contract to reflect the level of compensation. The Assistant Superintendent will review the contract and document the review.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2008-11 PED CASH REPORT-Repeated

Condition

Cash balances on the cash report submitted to the New Mexico Public Education Department at June 30, 2010 do not match the cash recorded in the general ledger account for the following items:

	General Ledger	PED Cash Report	Difference
Capital Improvement HB-33	2,432,891	1,928,485	504,406
Capital Improvement SB-9	2,569,345	3,073,332	(503,987)
State Flowthrough	168,192	168,818	(626)

Criteria

NMAC 6.20.2.13 D. states that the cash basis of accounting should be used for budgeting and reporting.

Cause

Minor adjustments were made to the general ledger in the operational fund after the submission of the cash report. The presentation of the interfund payable/receivable caused the difference in the capital improvements fund.

Effect

The cash reported to PED was understated by \$207.

Recommendation

We recommend further communication with the PED Budget Analyst for any issues arising from the submission of the cash reports.

Agency Response

The District keeps in contact with the assigned Budget Analyst to make necessary revisions with the cash reports.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2009-01 EXPENDITURES BEYOND REVENUE/DEFICIT FUND BALANCES-Repeated

Condition

The TANF/Grads fund was expended beyond the available revenues resulting in additional deficit fund balances of \$1,414 in the fund.

Criteria

NMAC 6.20.2.13 D. states that the cash basis of accounting should be used for budgeting and reporting.

Cause

The TANF/Grads revenue is a fixed amount each year and expenses exceeded the revenue.

Effect

The operational fund will be required to reimburse these special revenue funds.

Recommendation

We recommend contacting the software vendor to determine if the software can verify available budget balances before payment of an expense.

Agency Response

The District will contact the software vendor to determine if the software can verify available budget balances before payment of expenses.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2010-01 TIMELY DEPOSITS OF PAYROLL WITHHOLDINGS

Condition

The District failed to deposit payroll taxes in a timely manner during October 2009 related to the Form 941 Employer's Quarterly Federal tax return.

Criteria

According to the Internal Revenue Service, the Form 941 Employer's Quarterly Federal Tax Return is due the last day of the calendar month following the end of the quarter and taxes due must be deposited with an authorized depository or by electronic fund transfer in a timely manner.

Cause

The oversight occurred during the upgrade of the accounting system.

Effect

The District was required to pay approximately \$12,000 in penalties and interest related to the late deposit.

Recommendation

We recommend that the payroll clerk or business manager establish procedures to ensure that tax payments are deposited or transferred to the appropriate official in a timely manner.

Agency Response

The payroll clerk has been replaced and the new payroll clerk is well aware of the deposit deadlines and ensures that deposits are made in a timely manner. The District has paid the penalties and interest associated with the late deposit.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

B. Findings – Financial Statement Audit (continued)

2010-02 FAILURE TO SUBMIT REIMBURSEMENT REQUESTS IN A TIMELY MANNER

Condition

The District did not submit reimbursement requests for several federal funds through OBMS.

Criteria

According to the New Mexico Public Education Department, reimbursement requests for the fiscal year must be submitted by July 31st following the end of the year.

Cause

Program managers submitted reimbursement requests before the end of the year believing that the last payroll was included in the year-to-date expenditures.

Effect

The District has not received \$136,689 federal funds passed through the state and will be required to submit requests in a different manner.

Recommendation

We recommend that all requests listed on OBMS be reconciled at the end of the year to the federal program expenses to ensure that all expenses have been requested for reimbursement.

Agency Response

The business manager will reconcile all requests for reimbursement at the end of the year.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

C. Federal Award Findings and Questioned Costs

2006-11 FAILURE TO SUBMIT THE DATA COLLECTION FORM IN A TIMELY MANNER - COMPLIANCE REQUIREMENT - Repeated

Condition

During our audit we noted that the data collection form was not submitted to the Federal clearinghouse or to federal agencies within nine months after the fiscal year end as required by OMB Circular A-133.320.

Questioned Costs

None

Criteria

According to OMB A-133.320 the District is required to submit the data collection form as well as the reporting package to the Federal clearinghouse and federal agencies within earlier of 30 days after receipt of the auditor's report, or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

Cause

The District's 2006-2007 audit was not completed until February 2010, so subsequent years were not ready to audit until after that date.

Effect

The District risks losing some of its federal grants.

Recommendation

We recommend that the District file data collection reports as quickly as possible following the release of its audit reports to ensure that it can timely file the 2010-2011 reports.

Agency Response

The District will file data collection reports as quickly as possible following the release of its audit report.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

C. Federal Award Findings and Questioned Costs (continued)

2007-06 DOCUMENTATION OF EMPLOYEE TIME AND EFFORT (SCHOOLWIDE PROGRAMS) - COMPLIANCE REQUIREMENT-Repeated

Condition

During our audit of Special Education, IDEA-B; CFDA No. 84.027; and Special Education, IDEA Preschool; CFDA No. 84.173; we noted that the District does not document time and effort for school-wide programs such as Title I and Special Education IDEA. Semi-annual certifications are not completed for employees who are solely paid out of Special Education funds.

Questioned Costs

Salaries	\$316,707
Fringe Benefits	\$ 85,542

Criteria

According to OMB A-87, Attachment B, paragraph 8.h.(3), an employee who works solely on a single cost objective must furnish a semi-annual certification that he/she has been engaged solely in activities supported by the applicable source. According to OMB A-87, Attachment B, paragraph 8.h.(4), (5), and (6), an employee who works on multiple activities or cost objectives must maintain time and effort distribution records.

Cause

The Special Education Coordinator was not aware of the requirement to document time and effort or semi-annual certifications.

Effect

The District is not able to determine the time and effort related to specific federal programs or other cost objectives and is not in compliance with federal program regulations.

Recommendation

We recommend that the District require semi-annual certifications for all employees paid from single federal funds. We also recommend that the District require quarterly time and effort sheets for those employees paid from multiple funds.

Agency Response

The District will require semi-annual certifications for all employees paid from single federal funds.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

C. Federal Award Findings and Questioned Costs (continued)

2008-09 CASH MANAGEMENT – COMPLIANCE REQUIREMENT-Repeated

Condition

During our audit of the Title I, Part A of ESEA; CFDA No. 84.010, in accordance with OMB A-133 we noted that the request for reimbursements totaled \$89,435 more than was spent during the fiscal year.

Questioned Costs

\$89,435

Criteria

OMB A-133 states that “When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement”.

Cause

Excess reimbursements from the 2007-2008 of \$100,829 were not considered when preparing the reimbursement requests and that has carried forward to subsequent years. Since reimbursement requests are only for the current year in OBMS, the District cannot make the necessary adjustment through the OBMS system.

Effect

The District is not in compliance with the federal regulations and it could be necessary to pay applicable interest earned charges to the State.

Recommendation

We recommend that management contact the New Mexico Public Education Department to determine how to resolve the situation.

Agency Response

Management will contact the New Mexico Public Education Department to resolve the situation.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

C. Federal Award Findings and Questioned Costs (continued)

2008-10 APPROVAL OF APPLICATIONS –COMPLIANCE-Repeated

Condition

During our audit of the USDA School Breakfast Program, CFDA No. 10.553 and the USDA School Lunch Program, CFDA No. 10.555 we found that applications processed by the food service management company only had approvals of the business manager in batches.

Questioned Costs

None

Criteria

OMB A-133 requires states that “Each application for food services must contain the signature of an approving official”.

Cause

Due to the influx of applications at the beginning of the year, the applications were reviewed, but only signed in batches.

Effect

The District is not in compliance with the federal regulations.

Recommendation

We recommend that the Business Manager sign each application during the review process. This ensures that each application has indeed been reviewed.

Agency Response

The Business Manager will sign each application during the review process.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

C. Federal Award Findings and Questioned Costs (continued)

2010-02 FAILURE TO SUBMIT REIMBURSEMENT REQUESTS IN A TIMELY MANNER

See finding on page 180.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2010

D. Findings – Prior Year Audit

2006-03	Segregation of Duties	Resolved and Not Repeated
2006-04	Books were not Ready in a Timely Manner	Resolved and Not Repeated
2006-07	Late Report	Revised and Repeated
2006-10	Reporting - Failure to Submit Reports Timely	Resolved and Not Repeated
2006-11	Failure to Submit the Data Collection Form in a Timely Manner - Compliance Requirement	Revised and Repeated
2007-03	Record Keeping	Revised and Repeated
2007-04	Overspending of Certain Budget Line Items	Revised and Repeated
2007-06	Documentation of Employee Time and Effort (Schoolwide Programs)	Revised and Repeated
2007-07	Evidence of Approval by Program Director or Superintendent For Activities Allowed, Allowable Costs, and Procurement (Control)	Resolved and Not Repeated Repeated
2008-01	Segregation of Duties-Payroll	Revised and Repeated
2008-02	Employment Eligibility Documentation	Resolved and Not Repeated
2008-03	Timely Deposits	Resolved and Not Repeated
2008-04	Payment in Excess of Authorized Amount	Resolved and Not Repeated
2008-07	Substitute Pay Rate	Repeated
2008-08	Unallowable Indirect Costs to Programs-Compliance	Resolved and Not Repeated
2008-09	Cash Management-Compliance Requirement	Revised and Repeated
2008-10	Approval of Applications-Compliance	Repeated
2008-11	PED Cash Report	Revised and Repeated
2009-01	Expenditures Beyond Revenues/Deficit Balance	Revised and Repeated
2009-02	Staff Paid From Incorrect Fund	Resolved and Not Repeated
2009-03	Eligibility Determination	Resolved and Not Repeated

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Exit Conference
June 30, 2010**

The contents of this report were discussed at an exit conference held November 12, 2010. Mary Hinds, CPA Partner; and Shellie Davidson, CPA Senior Accountant, represented Johnson, Miller & Co, CPA LaRhonda Kidd, Board Member; Pat Capps, Audit Committee Member; Pam Lackey, CPA, Audit Committee Member; Steven L. O'Quinn, Superintendent; LeAnne Ellis, Assistant Superintendent; Sheri Belyeu, CPA, Business Manager; and Neva Byrd, Director of Special Programs represented Lovington Municipal Schools.

FINANCIAL STATEMENT PRESENTATION

The financial statements were prepared from the original books and records of Lovington Municipal Schools as of June 30, 2010 by Johnson, Miller & Co., Certified Public Accountants, a Professional Corporation.