

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Financial Statements  
With Independent Auditors' Report Thereon  
June 30, 2011**

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

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**INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Official Roster  
June 30, 2011**

**BOARD OF EDUCATION**

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

**SCHOOL OFFICIALS**

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

## **FINANCIAL SECTION**

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**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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons 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, 2011 as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the District as of June 30, 2011, 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, 2011, 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 4, 2011 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 and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed 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 4, 2011

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Government-Wide**  
**Statement of Net Assets**  
**June 30, 2011**

	<b>Primary Government</b> <hr/> <b>Governmental Activities</b> <hr/>
<b>ASSETS</b>	
Cash and cash equivalents (Note 3)	\$ 11,615,267
Investments (Note 3)	1,086,183
Receivables (Note 4)	1,808,789
Inventory	22,993
Bond issuance costs (net of accumulated amortization of \$68,088)	90,009
Capital assets, net (Note 6)	50,755,828
	\$ 65,379,069
<b>LIABILITIES AND NET ASSETS</b>	
Accounts payable	\$ 452,839
Accrued payroll and related expenses	1,247,973
Accrued interest	238,249
Deferred revenue	273,709
Compensated absences - current portion (Note 7)	149,668
Noncurrent liabilities:	
Bond premium	52,482
Compensated absences - non current portion (Note 7)	177,133
Bonds payable: (Note 7)	
Due within one year	1,700,000
Due in more than one year	20,425,000
Total liabilities	24,717,053
Invested in capital assets, net of related debt	28,630,828
Restricted for:	
Debt service	3,087,663
Capital projects	4,804,097
Unrestricted	4,139,428
Total net assets	40,662,016
Total liabilities and net assets	\$ 65,379,069

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, 2011**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
Governmental activities:			
Instruction	\$ 18,071,913	\$ 127,370	\$ 3,593,800
Support services:			
Students	3,196,536	-	102,507
Instruction	336,662	-	9,143
General administration	751,538	-	206,094
School administration	2,137,554	-	-
Central services	1,842,653	-	-
Operation & maintenance of plant	2,621,518	-	-
Student transportation	1,081,928	-	965,588
Operation of non-instruction services:			
Food services	1,233,285	231,456	1,102,661
Community services	65,814	-	-
Other support services	24,641	-	-
Inventory exempt-unallocated	1,185,790	-	-
Interest on long-term debt	802,960	-	-
<b>Total primary government</b>	<b>\$ 33,352,792</b>	<b>\$ 358,826</b>	<b>\$ 5,979,793</b>

**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  
Uncollectible revenue  
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	
\$ 1,140,914	\$	(13,209,829)
-		(3,094,029)
-		(327,519)
-		(545,444)
-		(2,137,554)
-		(1,842,653)
-		(2,621,518)
-		(116,340)
-		100,832
-		(65,814)
-		(24,641)
-		(1,185,790)
-		(802,960)
<u>\$ 1,140,914</u>	<u>\$</u>	<u>(25,873,259)</u>
		23,284,663
		6,655
		79,224
		601,958
		759,387
		284,984
		1,777,400
		2,279,835
		8,785
		(42,510)
		<u>29,040,381</u>
		3,167,122
		37,494,894
	<u>\$</u>	<u>40,662,016</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	General Fund	Debt Service	Capital Improvement HB- 33
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,230,484	\$ 2,663,784	\$ 1,957,048
Investments	4,222	-	559,279
Accounts receivable:			
Taxes	60,837	386,865	248,580
Due from other governments	-	-	-
Due from other funds	1,214,327	-	124,737
Inventory	-	-	-
Advances to other funds	46,579	-	-
<i>Total assets</i>	<u>\$ 5,556,449</u>	<u>\$ 3,050,649</u>	<u>\$ 2,889,644</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ 126,094
Accrued liabilities	1,247,973	-	-
Accrued interest	-	-	-
Due to other funds	-	-	-
Deferred revenue	2,729	22,698	14,249
Advances from other funds	-	-	-
<i>Total liabilities</i>	<u>1,250,702</u>	<u>22,698</u>	<u>140,343</u>
<i>Fund balances:</i>			
Nonspendable	1,260,906	-	-
Restricted	-	3,027,951	2,749,301
Committed	-	-	-
Assigned	-	-	-
Unassigned	3,044,841	-	-
<i>Total fund balances</i>	<u>4,305,747</u>	<u>3,027,951</u>	<u>2,749,301</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,556,449</u>	<u>\$ 3,050,649</u>	<u>\$ 2,889,644</u>

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

Capital Improvement SB-9	Other Governmental Funds	Total Governmental Funds
\$ 1,542,330	\$ 1,221,621	\$ 11,615,267
522,682	-	1,086,183
247,938	-	944,220
-	864,569	864,569
-	-	1,339,064
-	22,993	22,993
-	-	46,579
<u>\$ 2,312,950</u>	<u>\$ 2,109,183</u>	<u>\$ 15,918,875</u>

\$ 319,311	\$ 7,434	\$ 452,839
-	-	1,247,973
-	-	-
-	1,339,064	1,339,064
13,843	326,727	380,246
-	46,579	46,579
<u>333,154</u>	<u>1,719,804</u>	<u>3,466,701</u>

-	22,993	1,283,899
1,979,796	720,592	8,477,640
-	-	-
-	-	-
-	(354,206)	2,690,635
<u>1,979,796</u>	<u>389,379</u>	<u>12,452,174</u>
<u>\$ 2,312,950</u>	<u>\$ 2,109,183</u>	<u>\$ 15,918,875</u>

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOL DISTRICT  
Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2011**

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

Fund balances - total governmental funds	\$	12,452,174
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.		50,755,828
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Property taxes		106,537
Bond issuance costs		90,009
Other liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bond premium liability		(52,482)
Accrued interest expense		(238,249)
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.		(22,451,801)
Net assets of governmental activities in the statement of net assets	\$	40,662,016

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, 2011**

	General Fund	Debt Service	Capital Improvement HB- 33
<b>REVENUES</b>			
Property taxes	\$ 77,013	\$ 579,430	\$ 367,626
Oil and gas taxes	284,984	1,777,394	1,139,898
Investment income	5,712	-	1,266
Food services	-	-	-
District activities	14,905	-	-
Insurance recoveries	60	-	-
Revenue from local sources	52,629	-	-
Revenue from state sources	24,375,496	-	4,778
Revenue from federal sources	28,096	-	-
Uncollectible revenue	-	-	-
Total revenues	24,838,895	2,356,824	1,513,568
<b>EXPENDITURES</b>			
Current:			
Instruction	15,036,981	-	-
Support services			
Students	2,562,766	-	-
Instruction	297,457	-	-
General administration	627,506	5,777	3,666
School administration	1,918,609	-	-
Central services	667,430	-	-
Operation and maintenance of plant	2,446,188	-	-
Student transportation	966,085	-	-
Operation of non instructional services			
Food services operations	-	-	-
Community services	2,188	-	-
Other support services	24,641	-	-
Capital outlay	85,782	-	1,434,917
Debt service	-	2,411,221	-
Total expenditures	24,635,633	2,416,998	1,438,583
Excess (deficiency) of revenues over (under) expenditures	203,262	(60,174)	74,985
Other financing sources (uses)			
Increase (decrease) in inventory	-	-	-
Transfers in (out)	(54,235)	53,269	124,737
Net changes in fund balances	149,027	(6,905)	199,722
Beginning fund balances,	4,156,720	3,034,856	2,549,579
Fund balances--end of the year	\$ 4,305,747	\$ 3,027,951	\$ 2,749,301

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

Capital Improvements SB-9	Other Governmental Funds	Total Governmental Funds
\$ 359,732	\$ 10	\$ 1,383,811
1,139,937	6	4,342,219
1,183	624	8,785
-	231,456	231,456
-	118,464	133,369
-	-	60
5,587	-	58,216
-	1,486,604	25,866,878
-	4,452,782	4,480,878
-	(42,510)	(42,510)
<u>1,506,439</u>	<u>6,247,436</u>	<u>36,463,162</u>
-	2,731,057	17,768,038
-	630,371	3,193,137
-	-	297,457
3,587	27,630	668,166
-	197,534	2,116,143
-	1,060	668,490
-	162,550	2,608,738
-	-	966,085
-	1,217,663	1,217,663
-	61,180	63,368
		24,641
1,939,730	1,071,247	4,531,676
-	-	2,411,221
<u>1,943,317</u>	<u>6,100,292</u>	<u>36,534,823</u>
<u>(436,878)</u>	<u>147,144</u>	<u>(71,661)</u>
-	(11,734)	(11,734)
-	(123,771)	-
<u>(436,878)</u>	<u>11,639</u>	<u>(83,395)</u>
<u>2,416,674</u>	<u>377,740</u>	<u>12,535,569</u>
<u>\$ 1,979,796</u>	<u>\$ 389,379</u>	<u>\$ 12,452,174</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, 2011**

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

Net change in fund balances - total governmental funds	\$	(83,395)
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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		3,331,280
Depreciation expense		(1,714,842)

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		56,759
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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		(30,942)
Decrease in bond premium liability		56,603
Decrease in capitalized bond issue costs		(11,531)
Decrease in accrued interest payable		13,190
Principal payments on bonds		1,550,000

Change in net assets of governmental activities	\$	<u><u>3,167,122</u></u>
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**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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 449,167	\$ 449,167	\$ 350,172	\$ (98,995)
Investment income	3,000	3,000	5,712	2,712
District activities	5,000	5,000	14,905	9,905
Insurance recoveries	-	-	60	60
Revenue from local sources	-	-	52,629	52,629
Revenue from state sources	24,897,409	24,457,749	24,375,496	(82,253)
Revenue from federal sources	15,000	15,000	28,096	13,096
Sale of real property	-	-	-	-
<i>Total revenues</i>	<u>25,369,576</u>	<u>24,929,916</u>	<u>24,827,070</u>	<u>(102,846)</u>
<b>EXPENDITURES</b>				
Instruction:				
Personnel services - compensation	10,608,324	10,561,524	10,238,076	323,448
Personnel services - employee benefits	3,634,475	3,538,975	3,317,432	221,543
Other purchased services	624,026	892,324	769,366	122,958
Supplies	869,094	905,622	690,813	214,809
Property	37,880	34,880	21,292	13,588
Total instruction	<u>15,773,799</u>	<u>15,933,325</u>	<u>15,036,979</u>	<u>896,346</u>
Support services - student:				
Personnel services - compensation	1,558,612	1,531,159	1,505,598	25,561
Personnel services - employee benefits	483,528	475,021	469,683	5,338
Purchased professional & technical services	-	-	-	-
Purchased property services	933	918	198	720
Other purchased services	387,282	638,750	501,033	137,717
Supplies	198,456	91,038	86,254	4,784
Property	-	-	-	-
Total support services - student	<u>2,628,811</u>	<u>2,736,886</u>	<u>2,562,766</u>	<u>174,120</u>
Support services - instruction:				
Personnel services - compensation	204,567	186,217	186,109	108
Personnel services - employee benefits	89,591	84,829	81,011	3,818
Purchased professional & technical services	-	-	-	-
Purchased property services	-	-	-	-
Other purchased services	1,879	11,911	10,971	940
Supplies	36,913	27,633	19,366	8,267
Property	-	-	-	-
Total support services - instruction	<u>332,950</u>	<u>310,590</u>	<u>297,457</u>	<u>13,133</u>

The accompanying notes are an integral part of the 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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Support services - general administration:				
Personnel services - compensation	330,387	331,887	326,937	4,950
Personnel services - employee benefits	107,422	111,077	108,959	2,118
Purchased professional & technical services	156,267	259,509	153,889	105,620
Other purchased services	39,045	30,545	27,571	2,974
Supplies	35,000	26,000	10,150	15,850
Property	482	382	-	382
Total support services - general admin.	<u>668,603</u>	<u>759,400</u>	<u>627,506</u>	<u>131,894</u>
Support services - school administration:				
Personnel services - compensation	1,518,491	1,475,916	1,401,014	74,902
Personnel services - employee benefits	482,291	482,231	443,969	38,262
Purchased property services	-	-	-	-
Purchased professional & technical services	2,180	25,740	24,321	1,419
Other purchased services	36,860	52,360	40,113	12,247
Supplies	31,730	18,730	9,192	9,538
Property	-	-	-	-
Total support services - school admin.	<u>2,071,552</u>	<u>2,054,977</u>	<u>1,918,609</u>	<u>136,368</u>
Support services - central services:				
Personnel services - compensation	451,172	480,596	462,652	17,944
Personnel services - employee benefits	125,723	144,408	141,291	3,117
Purchased professional & technical services	58,923	45,628	32,979	12,649
Purchased property services	270	1,570	1,558	12
Other purchased services	2,365	10,293	10,192	101
Supplies	106,595	85,953	18,759	67,194
Property	-	-	-	-
Total support services - central serv.	<u>745,048</u>	<u>768,448</u>	<u>667,431</u>	<u>101,017</u>
Support services - operation and maintenance of plant:				
Personnel services - compensation	954,820	955,820	946,738	9,082
Personnel services - employee benefits	397,208	411,282	384,866	26,416
Purchased property services	1,313,795	1,126,275	705,343	420,932

The accompanying notes are an integral part of the 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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i><b>EXPENDITURES (continued)</b></i>				
Other purchased services	526,573	533,792	341,335	192,457
Supplies	84,369	112,040	51,647	60,393
Purchased professional & technical services	18,000	18,610	16,260	2,350
Total support services - operation and maintenance of plant	3,294,765	3,157,819	2,446,189	711,630
Operation of non instructional services - community services:				
Personnel services - compensation	10,540	9,540	2,029	7,511
Personnel services - employee benefits	805	1,805	158	1,647
Other purchased services	-	-	-	-
Total operation of non instructional services - community services	11,345	11,345	2,187	9,158
Support services - student transportation:				
Personnel services - compensation	30,163	30,737	30,737	-
Personnel services - employee benefits	6,429	6,527	6,527	-
Purchased professional & technical services	305	325	325	-
Purchased property services	124,353	124,353	124,353	-
Other purchased services	851,683	804,143	804,143	-
Supplies	1,715	1,365	-	1,365
Total support services - student transportation	1,014,648	967,450	966,085	1,365
Support services - other support				
Debt service and miscellaneous	1,066,907	1,066,907	24,641	1,042,266
Total support services - other support	1,066,907	1,066,907	24,641	1,042,266
Capital outlay	1,128,125	661,342	85,782	575,560
<i>Total expenditures</i>	28,736,553	28,428,489	24,635,632	3,792,857
<i>Excess (deficiency) of revenues over expenditures</i>	(3,366,977)	(3,498,573)	191,438	3,690,011

The accompanying notes are an integral part of the 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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(54,237)	(54,237)
<i>Total other financing sources (uses)</i>	-	-	(54,237)	(54,237)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(3,366,977)	(3,498,573)	137,201	3,635,774
<i>Prior year cash balance</i>	3,939,306	4,096,649	4,097,643	4,097,643
<i>End of year cash balance</i>	\$ 572,329	\$ 598,076	\$ 4,234,844	\$ 7,733,417

**RECONCILIATION TO GAAP**

Adjustments:

Deferred revenue

(201)

Receivables

12,027

Net change in fund balance (GAAP basis)

\$ 149,027

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2011**

	<u>Agency Funds</u>
<b>ASSETS</b>	
<i>Current assets</i>	
Cash	\$ 295,882
	<u><u>                    </u></u>
<b>LIABILITIES</b>	
<i>Current liabilities</i>	
Deposits held in trust for others	\$ 295,882
	<u><u>                    </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, 2011**

**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 activities) 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, 2011**

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 HB-33*- 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.

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

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, maintenance, or construction of major capital facilities.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

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 funds are agency funds. 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, 2011**

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 of New Mexico 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 or property located in the District as of the preceding January 1<sup>st</sup>. The assessed valuation for the 2011 fiscal year was \$185,288,594. 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 10<sup>th</sup> and April 10<sup>th</sup> 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, 2011**

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, 2011 was \$326,801.

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, 2011**

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. Fund Balance and Net Assets

Fund Balance: In the fund financial statements, components of fund balance include the following:

1. Nonspendable fund balance is the portion of the gross fund balance that is not expendable or is legally earmarked for a specific use.
2. Restricted fund balances include fund balances that are subject to constrained to a specific purpose by the provider, such as a grantor.
3. Committed fund balances are the portion of the fund balance that is constrained to a specific purpose by the Board.
4. Assigned fund balances are the portion of the fund balances that are spendable or available for appropriation but have been tentatively earmarked for some specific purpose by the Superintendent or designee.
5. Unassigned fund balances include amounts available for any legal purpose. This portion of the net assets in the general fund is available to finance operating expenditures.

Net Assets: in the government-wide financial statements component of nets assets include the following:

1. Net assets invested in capital assets of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balance of debt issue to finance the acquisition, improvement, or construction of those assets.
2. Restricted net assets include net assets that are subject to constraints on their use by creditors, grantors, and bond indentures. These are the replacement reserves and the bond escrow accounts.
3. Unrestricted net assets are available for general use by the District for any obligation or expense

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 \$23,284,663 in state equalization guarantee distributions during the year ended June 30, 2011.

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 \$965,588 in transportation distributions during the year ended June 30, 2011.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Revenues (continued)

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 \$5,782,788 in tax revenues during the year ended June 30, 2011. 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.

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.



**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

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, 2011 was properly amended by the Board throughout the year. New Mexico state law prohibits a school district to exceed a function line item.

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, 2011.

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, 2011, 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 demand deposits at the same institution which are fully insured.

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.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

As June 30, 2011, \$12,630,083 of the District's bank balances were exposed to custodial credit risk as follows:

	District
Insured (FDIC)	\$ 7,202,380
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District's name	4,492,644
Uninsured and uncollateralized	935,059
Balance exposed to custodial credit risk	\$ 12,630,083
Total bank balances	\$ 12,630,083
 Carrying Amount	 \$ 11,911,149

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, 2011, the New MexiGROW Local Government Investment Pool was rated at AAAM and was considered a 36-day WAM. The District had \$1,086,183 invested in the New MexiGROW Local Government Investment Pool at June 30, 2011.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

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	\$ 4,697,702	\$ 356,445	\$ 7,575,936	\$ 12,630,083
FDIC coverage	366,045	250,000	6,586,335	7,202,380
Total uninsured public funds	<u>\$ 4,331,657</u>	<u>\$ 106,445</u>	<u>\$989,601</u>	<u>\$ 5,427,703</u>
Collateral requirement (50% of uninsured public funds)	\$ 2,165,828	\$ 53,222	\$ 494,801	\$ 2,713,851
Pledged securities	3,477,213	500,000	515,431	4,492,644
Over (under) collateralization	<u>\$ 1,311,385</u>	<u>\$ 446,778</u>	<u>\$ 20,630</u>	<u>\$ 1,778,793</u>

The collateral pledged is listed on Page 160-161 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.

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	\$ 11,911,149
Less amounts included in agency funds	(295,882)
Total	<u>\$ 11,615,267</u>
Included in the following balance sheet captions:	
Cash and cash equivalents	<u>\$ 11,615,267</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, 2011 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 AAAM by Standard & Poor's.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

*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.

NOTE 4: RECEIVABLES

Receivables as of June 30, 2011 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	\$ 4,125	\$ 42,824	\$ 34,632	\$ -	\$ 81,581
Oil & gas taxes	56,712	453,694	352,233	-	862,639
Due from other govts	-		-	864,569	864,569
	<u>\$ 60,837</u>	<u>\$ 496,518</u>	<u>\$ 386,865</u>	<u>\$ 864,569</u>	<u>\$ 1,808,789</u>

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

**NOTE 5: INTERFUND RECEIVABLES AND TRANSFERS**

Interfund balances represent advances to funds that receive grants on a reimbursement basis. The composition of interfund balances during the year ended June 30, 2011 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Reading First	\$ 324,109
General Fund	Migrant Children Education	48,863
General Fund	IDEA-B "Risk Pool"	6,543
General Fund	IDEA-B Preschool	7,820
General Fund	Title I 1003 G	7,282
General Fund	English Language Acquisition	103,052
General Fund	Title I-IASA	42,869
General Fund	Teacher/Principal Training	25,652
General Fund	Rural and Low Income	14,928
General Fund	IDEA-B	141,374
General Fund	Title I IASA-Federal Stimulus	101,963
General Fund	IDEA-B Entitlement-Federal Stimulus	79,847
General Fund	Enhancing Education Through Technology *	5,754
General Fund	Education of Homeless-Federal Stimulus	7,167
General Fund	Medicaid XIX	34,159
General Fund	SEG-Federal Stimulus	90
General Fund	GO Student Library Funds	30,909
General Fund	Educational Jobs	190,787
General Fund	Truancy - CYFD	6,529
General Fund	GRADS Instruction *	40,825
General Fund	Gear Up CHE	40,384
Capital Improvement HB-33	Special Capital Outlay	124,737
		\$ 1,385,643

\*Considered long-term advances

The following transfers were made between funds during the year ended June 30,2011

	Transfers Out	Transfers In
General Fund	54,235	
Debt Service Fund		53,269
Capital Improvement HB-33		124,737
Non Major Special Revenue Funds		54,235
Non Major Capital Outlay Funds	178,006	

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance 06/30/10	Increases	Decreases/ Adjustments	Ending Balance 06/30/11
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 73,609	\$ -	\$ -	\$ 73,609
Capital assets, being depreciated:				
Buildings and improvements	100,870,345	3,062,045	-	103,932,390
Equipment	3,938,955	70,961	-	4,009,916
Vehicles	1,524,386	76,510	-	1,600,896
Intangibles	175,884	121,764	-	297,648
Total at historical cost	<u>106,583,179</u>	<u>3,331,280</u>	-	<u>109,914,459</u>
Less Accumulated Depreciation:				
Buildings and improvements	(53,892,955)	(1,278,622)	-	(55,171,577)
Equipment	(2,629,806)	(282,736)	-	(2,912,542)
Vehicles	(885,538)	(115,843)	-	(1,001,381)
Intangibles	(35,490)	(37,641)	-	(73,131)
Total accumulated depreciation	<u>(57,443,789)</u>	<u>(1,714,842)</u>	-	<u>(59,158,631)</u>
Governmental activities capital assets, net	<u>\$ 49,139,390</u>	<u>\$1,616,438</u>	<u>\$ -</u>	<u>\$ 50,755,828</u>

Depreciation expense for the year ended June 30, 2011 was charged to the following functions:

	District
Instruction	\$ 318,746
Support services:	
Students	5,318
Instruction	8,359
School administration	21,411
General administration	51,982
Central services	1,174,163
Operation and maintenance of plant	12,685
Student transportation	115,844
Food services	3,888
Community services	2,446
Total depreciation expense	<u>\$ 1,714,842</u>

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

**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, 2011 are comprised of the following:

	Original Amount	Interest Rates	Balance 06/30/11
Series 2002 General Obligation Bond	\$ 5,300,000	6.1%	\$ 3,800,000
Series 2003 General Obligation Bond	4,700,000	2.4-4.0%	3,250,000
Series 2007 General Obligation Bond	8,500,000	4.0%	7,600,000
Series 2008 General Obligation Bond	8,000,000	3.0%	7,475,000
<b>Total General Obligation Bonds</b>	<b>\$ 26,500,000</b>		<b>\$ 22,125,000</b>

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

Year Ending June 30,	Principal	Interest	Total Requirements
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	1,925,000	601,912	2,526,912
2016-2020	11,550,000	1,713,275	13,263,275
2021-2023	3,500,000	97,375	3,597,375
<b>Total</b>	<b>\$ 22,125,000</b>	<b>\$ 4,621,524</b>	<b>\$ 26,746,524</b>

Changes in long-term liabilities – During the year ended June 30, 2011, the following changes occurred in liabilities reported in the general obligation bonds and compensated absences.

	Balance 06/30/10	Additions	Retirements	Balance 06/30/11	Due Within One Year
2002 Series	\$ 4,225,000	\$ -	\$ (425,000)	\$ 3,800,000	\$ 450,000
2003 Series	3,750,000	-	(500,000)	3,250,000	300,000
2007 Series	7,900,000	-	(300,000)	7,600,000	600,000
2008 Series	7,800,000	-	(325,000)	7,475,000	350,000
Compensated Absences	295,859	180,610	(149,668)	326,801	149,668
<b>Total Long-Term Liabilities</b>	<b>\$ 23,970,859</b>	<b>\$ 180,610</b>	<b>\$ (1,699,668)</b>	<b>\$ 22,451,801</b>	<b>\$ 1,849,668</b>

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, 2011 was \$802,960.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

**NOTE 8: RISK MANAGEMENT**

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA 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.

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, 2011, 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](http://www.nmerb.org).

*Funding Policy.* Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The district was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The district is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to the ERA for the years ended June 30, 2011, 2010, and 2009 were: \$1,861,440, \$1,850,215, and \$1,851,797 respectively, which equal the amount of the required contributions for each fiscal year.



**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

**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.

*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](http://www.nmrhca.state.nm.us) .

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.66% of each participating employee's annual salary; each participating employee was required to contribute .833% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

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, 2011, 2010, and 2009, were \$276,315, \$216,847, and \$206,650 in employer contributions, which equals 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, 2011**

NOTE 12: ACCOUNTING STANDARDS

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 February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 is effective for financial statements for the periods beginning after June 15, 2010. This statement addresses the presentation and classification of fund balances in the governmental funds. The District implemented GASB 54 and revised fund balance classifications are presented in the governmental financial statements.

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		886
Title I – 1003 G		7,282
Enhancing Education Thru Technology		5,754
English Language Acquisition		71,343
Reading First		180,340
Medicaid XIX		22,057
GRADS - Instruction		40,825
Truancy CYFD		<u>6,529</u>
Total	\$	<u>364,266</u>

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements  
June 30, 2011**

NOTE 13: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)

B. Excess of expenditures over appropriations.

For the fiscal year ended June 30, 2011, expenditures exceed appropriations in the following funds:

	Final Budget	Actual Amounts	Variance with Final Budget
School Based Health Center	-	\$ 101,400	\$ (101,400)

C. Designated cash appropriations in excess of available balances:

Athletics	\$	304
Education of Homeless-Federal Stimulus		9,911
SB-9 Capital Improvements Fund		1,540,921

NOTE 13: SUBSEQUENT EVENTS

**Bond Sale**

On October 12, 2011 the District sold \$6,040,000 in bonds to refund the Series 2002 and Series 2003 Bonds to obtain a lower interest rate.

**Management review**

The date to which events occurring after June 30, 2011, the date of the most recent Statement of Net Assets have been evaluated for possible adjustment to the financial statements and disclosures is November 4, 2011 which is the date on which the financial statements were available for review.

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**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOLS DISTRICT**  
**Combining Balance Sheet**  
**General Fund**  
**June 30, 2011**

	Operational	Transportation	Instructional Materials	Total General Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,227,764	\$ 497	\$ 2,223	\$ 4,230,484
Investments	4,222	-	-	4,222
Receivables:				
Taxes	60,837	-	-	60,837
Due from other governments	-	-	-	-
Due from other funds	1,214,327	-	-	1,214,327
Advances to other funds	46,579	-	-	46,579
	<u>5,553,729</u>	<u>497</u>	<u>2,223</u>	<u>5,556,449</u>
Total assets	<u>\$ 5,553,729</u>	<u>\$ 497</u>	<u>\$ 2,223</u>	<u>\$ 5,556,449</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	1,247,973	-	-	1,247,973
Deferred revenue	2,729	-	-	2,729
Total liabilities	<u>1,250,702</u>	<u>-</u>	<u>-</u>	<u>1,250,702</u>
<i>Fund balances:</i>				
Nonspendable	1,260,906	-	-	1,260,906
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	3,042,121	497	2,223	3,044,841
Total fund balances	<u>4,303,027</u>	<u>497</u>	<u>2,223</u>	<u>4,305,747</u>
Total liabilities and fund balances	<u>\$ 5,553,729</u>	<u>\$ 497</u>	<u>\$ 2,223</u>	<u>\$ 5,556,449</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, 2011**

	Operational	Transportation	Instructional Materials	Total General Fund
<b>REVENUES</b>				
Property taxes	\$ 77,013	\$ -	\$ -	\$ 77,013
Oil and gas taxes	284,984	-	-	284,984
District activities	14,905	-	-	14,905
Investment income	5,712	-	-	5,712
Insurance recoveries	60	-	-	60
Revenue from local sources	52,629	-	-	52,629
Revenue from state sources	23,284,663	965,588	125,245	24,375,496
Revenue from federal sources	28,096	-	-	28,096
Total revenues	<u>23,748,062</u>	<u>965,588</u>	<u>125,245</u>	<u>24,838,895</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	14,757,519	-	279,462	15,036,981
Support services:				
Students	2,562,766	-	-	2,562,766
Instruction	296,554	-	903	297,457
General administration	627,506	-	-	627,506
School administration	1,918,609	-	-	1,918,609
Central services	667,430	-	-	667,430
Operation and maintenance of plant	2,446,188	-	-	2,446,188
Student transportation	-	966,085	-	966,085
Operation of non instructional services:				
Food services operations	-	-	-	-
Community services	2,188	-	-	2,188
Other support services	24,641	-	-	24,641
Capital outlay	85,782	-	-	85,782
Total expenditures	<u>23,389,183</u>	<u>966,085</u>	<u>280,365</u>	<u>24,635,633</u>
Excess (deficiency) of revenues over expenditures	<u>358,879</u>	<u>(497)</u>	<u>(155,120)</u>	<u>203,262</u>
Other financing sources (uses)				
Transfers (in) out	<u>(54,235)</u>	<u>-</u>	<u>-</u>	<u>(54,235)</u>
Net changes in fund balances	304,644	(497)	(155,120)	149,027
Fund balances - beginning of year	<u>3,998,383</u>	<u>994</u>	<u>157,343</u>	<u>4,156,720</u>
Fund balances - end of year	<u>\$ 4,303,027</u>	<u>\$ 497</u>	<u>\$ 2,223</u>	<u>\$ 4,305,747</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 449,167	\$ 449,167	\$ 350,172	\$ (98,995)
Investment income	3,000	3,000	5,712	2,712
District activities	5,000	5,000	14,905	9,905
Insurance recoveries	-	-	60	60
Revenue from local sources	-	-	52,629	52,629
Revenue from state sources	23,884,126	23,209,122	23,284,663	75,541
Revenue from federal sources	15,000	15,000	28,096	13,096
Sale of real property	-	-	-	-
<i>Total revenues</i>	<u>24,356,293</u>	<u>23,681,289</u>	<u>23,736,237</u>	<u>54,948</u>
<b>EXPENDITURES</b>				
Instruction:				
Personnel services - compensation	10,608,324	10,561,524	10,238,076	323,448
Personnel services - employee benefits	3,634,475	3,538,975	3,317,432	221,543
Other purchased services	624,026	892,324	769,366	122,958
Supplies	869,094	492,524	411,351	81,173
Property	37,880	34,880	21,292	13,588
Total instruction	<u>15,773,799</u>	<u>15,520,227</u>	<u>14,757,517</u>	<u>762,710</u>
Support services - student:				
Personnel services - compensation	1,558,612	1,531,159	1,505,598	25,561
Personnel services - employee benefits	483,528	475,021	469,683	5,338
Purchase prof. & tech. services	-	-	-	-
Purchased property services	933	918	198	720
Other purchased services	387,282	638,750	501,033	137,717
Supplies	198,456	91,038	86,254	4,784
Property	-	-	-	-
Total support services - student	<u>2,628,811</u>	<u>2,736,886</u>	<u>2,562,766</u>	<u>174,120</u>
Support services - instruction:				
Personnel services - compensation	204,567	186,217	186,109	108
Personnel services - employee benefits	89,591	84,829	81,011	3,818
Purchase prof. & tech. services	-	-	-	-
Purchased property services	-	-	-	-
Other purchased services	1,879	11,911	10,971	940
Supplies	36,913	26,593	18,463	8,130
Property	-	-	-	-
Total support services - instruction	<u>332,950</u>	<u>309,550</u>	<u>296,554</u>	<u>12,996</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Support services - general administration:				
Personnel services - compensation	330,387	331,887	326,937	4,950
Personnel services - employee benefits	107,422	111,077	108,959	2,118
Purchased professional & technical services	156,267	259,509	153,889	105,620
Other purchased services	39,045	30,545	27,571	2,974
Supplies	35,000	26,000	10,150	15,850
Property	482	382	-	382
Total support services - general admin	<u>668,603</u>	<u>759,400</u>	<u>627,506</u>	<u>131,894</u>
Support services - school administration:				
Personnel services - compensation	1,518,491	1,475,916	1,401,014	74,902
Personnel services - employee benefits	482,291	482,231	443,969	38,262
Purchase prof. & tech. services	2,180	25,740	24,321	1,419
Purchased property services	-	-	-	-
Other purchased services	36,860	52,360	40,113	12,247
Supplies	31,730	18,730	9,192	9,538
Property	-	-	-	-
Total support services - school admin.	<u>2,071,552</u>	<u>2,054,977</u>	<u>1,918,609</u>	<u>136,368</u>
Support services - central services:				
Personnel services - compensation	451,172	480,596	462,652	17,944
Personnel services - employee benefits	125,723	144,408	141,291	3,117
Purchased professional & technical services	58,923	45,628	32,979	12,649
Purchased property services	270	1,570	1,558	12
Other purchased services	2,365	10,293	10,192	101
Supplies	106,595	85,953	18,759	67,194
Property	-	-	-	-
Total support services - central serv.	<u>745,048</u>	<u>768,448</u>	<u>667,431</u>	<u>101,017</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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Support services - operation and maintenance of plant:				
Personnel services - compensation	954,820	955,820	946,738	9,082
Personnel services - employee benefits	397,208	411,282	384,866	26,416
Purchased professional & technical services	18,000	18,610	16,260	2,350
Purchased property services	1,313,795	1,126,275	705,343	420,932
Other purchased services	526,573	533,792	341,335	192,457
Supplies	84,369	112,040	51,647	60,393
Property	-	-	-	-
Total support services - operation and maintenance of plant	<u>3,294,765</u>	<u>3,157,819</u>	<u>2,446,189</u>	<u>711,630</u>
Support services - community services:				
Personnel services - compensation	10,540	9,540	2,029	7,511
Personnel services - employee benefits of plant	805	1,805	158	1,647
	<u>11,345</u>	<u>11,345</u>	<u>2,187</u>	<u>9,158</u>
Support services - other support:				
Debt service and miscellaneous	1,066,907	1,066,907	24,641	1,042,266
Total support services - other support	<u>1,066,907</u>	<u>1,066,907</u>	<u>24,641</u>	<u>1,042,266</u>
Operation of non instructional services:				
Other purchased services-transportaion	1,365	1,365	-	1,365
Other purchased services-food service	-	-	-	-
Total transportation services	<u>1,365</u>	<u>1,365</u>	<u>-</u>	<u>1,365</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i><b>EXPENDITURES (continued)</b></i>				
Capital outlay	1,128,125	661,342	85,782	575,560
Non-operating	-	-	-	-
<i>Total expenditures</i>	<u>27,723,270</u>	<u>27,048,266</u>	<u>23,389,182</u>	<u>3,659,084</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,366,977)</u>	<u>(3,366,977)</u>	<u>347,055</u>	<u>3,714,032</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfer in (out)	-	-	(54,237)	(54,237)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(54,237)</u>	<u>(54,237)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>(3,366,977)</u>	<u>(3,366,977)</u>	<u>292,818</u>	<u>3,659,795</u>
<i>Prior year cash balance</i>	<u>3,939,306</u>	<u>3,939,306</u>	<u>3,939,306</u>	<u>3,939,306</u>
<i>End of year cash balance</i>	<u>\$ 572,329</u>	<u>\$ 572,329</u>	<u>\$ 4,232,124</u>	<u>\$ 7,599,101</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(201)	
Accounts receivable			12,027	
Net change in fund balance (GAAP basis)			<u>\$ 304,644</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ 1,013,283	\$ 966,085	\$ 965,588	\$ (497)
<i>Total revenues</i>	<u>1,013,283</u>	<u>966,085</u>	<u>965,588</u>	<u>(497)</u>
<b>EXPENDITURES</b>				
Support services:				
Student transportation	1,013,283	966,085	966,085	-
<i>Total expenditures</i>	<u>1,013,283</u>	<u>966,085</u>	<u>966,085</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(497)</u>	<u>(497)</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>(497)</u>	<u>(497)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>994</u>	<u>994</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 497</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
Revenues from state sources	-	282,542	125,245	(157,297)
<i>Total revenues</i>	-	282,542	125,245	(157,297)
<b>EXPENDITURES</b>				
Instruction	-	413,098	279,462	133,636
Support services:				
Instruction	-	1,040	903	137
<i>Total expenditures</i>	-	414,138	280,365	133,773
<i>Excess (deficiency) of revenues over expenditures</i>	-	(131,596)	(155,120)	(23,524)
<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>	-	(131,596)	(155,120)	(23,524)
<i>Prior year cash balance</i>	-	157,343	157,343	157,343
<i>End of year cash balance</i>	\$ -	\$ 25,747	\$ 2,223	\$ 133,819

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,217,110	\$ 2,217,110	\$ 2,288,398	\$ 71,288
Bond premium	-	-	-	-
<i>Total revenues</i>	2,217,110	2,217,110	2,288,398	71,288
<b>EXPENDITURES</b>				
Support services:				
General administration	5,200	5,800	5,777	23
Debt service	4,627,627	4,627,027	2,411,221	2,215,806
<i>Total expenditures</i>	4,632,827	4,632,827	2,416,998	2,215,829
<i>Excess (deficiency) of revenues over expenditures</i>	(2,415,717)	(2,415,717)	(128,600)	2,287,117
<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>	(2,415,717)	(2,415,717)	(128,600)	2,287,117
<i>Prior year cash balance</i>	2,792,385	2,792,385	2,792,385	2,792,385
<i>End of year cash balance</i>	\$ 376,668	\$ 376,668	\$ 2,663,785	\$ 5,079,502
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Transfer in			53,269	
Deferred revenue			(1,582)	
Accounts receivable			70,008	
Net change in fund balance (GAAP basis)			\$ (6,905)	

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,855,462	\$ 1,855,462	\$ 1,459,962	\$ (395,500)
Revenue from state sources	-	-	4,778	4,778
Investment income	700	700	1,266	566
<i>Total revenues</i>	1,856,162	1,856,162	1,466,006	(390,156)
<b>EXPENDITURES</b>				
Support services:				
General administration	3,000	3,700	3,666	34
Capital outlay	3,254,366	3,253,666	1,378,485	1,875,181
<i>Total expenditures</i>	3,257,366	3,257,366	1,382,151	1,875,215
<i>Excess (deficiency) of revenues over expenditures</i>	(1,401,204)	(1,401,204)	83,855	1,485,059
<i>Other financing sources (uses):</i>				
Designated cash balance	1,401,204	1,401,204	-	(1,401,204)
<i>Total other financing sources (uses)</i>	1,401,204	1,401,204	-	(1,401,204)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	83,855	83,855
<i>Prior year cash balance</i>	-	-	1,874,458	1,874,458
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1,958,313	\$ 1,958,313
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts payable			(56,431)	
Deferred revenue			(984)	
Transfer in for GAAP basis			124,737	
Accounts receivable			48,545	
Net change in fund balance (GAAP basis)			\$ 199,722	

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ 1,847,501	\$ 1,452,130	\$ (395,371)
Revenue from state sources	-	160,974	-	(160,974)
Revenue from local sources	-	-	5,587	5,587
Insurance recoveries	-	-	-	-
Investment income	-	700	1,183	483
<i>Total revenues</i>	<u>-</u>	<u>2,009,175</u>	<u>1,458,900</u>	<u>(550,275)</u>
<b>EXPENDITURES</b>				
Support services:				
General administration	-	3,600	3,587	13
Capital outlay	-	5,594,342	1,959,646	3,634,696
<i>Total expenditures</i>	<u>-</u>	<u>5,597,942</u>	<u>1,963,233</u>	<u>3,634,709</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(3,588,767)</u>	<u>(504,333)</u>	<u>3,084,434</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>(3,588,767)</u>	<u>(504,333)</u>	<u>3,084,434</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>2,047,846</u>	<u>2,047,846</u>	<u>2,047,846</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ (1,540,921)</u>	<u>\$ 1,543,513</u>	<u>\$ 5,132,280</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			48,513	
Accounts payable			19,916	
Deferred revenue			(974)	
Net change in fund balance (GAAP basis)			<u>\$ (436,878)</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, 2011**

*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, 2011**

*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.

*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.

*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.

*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.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds  
June 30, 2011**

*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).

*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).

*Reading First* -Reading First was established by the No Child Left Behind Act in effort to enable all students to become successful readers. Funds are provided to assist in professional development for teachers, provide screening and assessments, diagnostic tools, and tools for teaching reading to various levels of readers.

*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.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds  
June 30, 2011**

*Advanced Placement Incentives* – Award grants to state and local efforts to increase access to advanced 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).

*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.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds  
June 30, 2011**

*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.

*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.

*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.

*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.

*Truancy Initiative* – The purpose was to provide staff training in truancy prevention and strategies to deal with students to improve school attendance. Resources were also available to assist families in developing strategies to improve their children's school attendance. Funding was provided by the School Health Unit of the State of New Mexico. Authority for creation of this fund is authorization of the New Mexico Public Education Department.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds  
June 30, 2011**

*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.

*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.

*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.

*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).

*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.

*School Improvement Framework*- This grant was awarded as a result of meeting adequate yearly progress for two consecutive years and is 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.

*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.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds  
June 30, 2011**

*IDEA B 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.

*IDEA B 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.

*Education Jobs – Federal Stimulus –* As a result of state revenue shortfalls and the subsequent passage of the American Recovery and Reinvestment Act of 2009 (ARRA), federal stimulus dollars were available to create education jobs for the 2010-2011 school year. Jobs funded under the program include those that provide educational and related services for early childhood, elementary, and secondary education. The authority for creation of this fund is the American Recovery & Reinvestment Act of 2009.

*Value Options DOH –*To account for funds received from Value Options to teach substance abuse prevention classes. Authority for creation of this fund is the New Mexico Public Education Department.

*Truancy CYFD-* The purpose of this state grant is to provide funds to improve school attendance rates through truancy prevention. Authority for creation of this fund is authorization of the New Mexico Public Education Department.

**Non-Major Capital Projects Funds  
June 30, 2011**

*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.

**Non-Major Debt Service Fund  
June 30, 2011**

*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, 2011**

	Special Revenue Funds			
	Food Services	Athletics	Title I - IASA	Migrant Children Education
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 384,390	\$ 160,137	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	132,510	19,613
Inventory	22,993	-	-	-
<i>Total assets</i>	<u>\$ 407,383</u>	<u>\$ 160,137</u>	<u>\$ 132,510</u>	<u>\$ 19,613</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ 206	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	42,869	48,863
Deferred revenue	-	-	89,435	-
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>132,510</u>	<u>48,863</u>
<i>Fund balances:</i>				
Nonspendable	22,993	-	-	-
Restricted	384,390	160,137	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(29,250)
<i>Total fund balances</i>	<u>407,383</u>	<u>160,137</u>	<u>-</u>	<u>(29,250)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 407,383</u>	<u>\$ 160,137</u>	<u>\$ 132,510</u>	<u>\$ 19,613</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
141,671	-	6,934	-	-	-
-	-	-	-	-	-
<u>\$ 141,671</u>	<u>\$ -</u>	<u>\$ 6,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 297	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
141,374	-	7,820	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>141,671</u>	<u>-</u>	<u>7,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(886)	-	-	-
-	-	(886)	-	-	-
<u>\$ 141,671</u>	<u>\$ -</u>	<u>\$ 6,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds			
	Drug Free Schools	Title I - 1003 G	Enhancing Education Thru Technology (E2T2-F)	Class Size Reduction
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	7,282	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
	-	7,282	-	-
<i>Total liabilities</i>	-	7,282	-	-
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(7,282)	-	-
	-	(7,282)	-	-
<i>Total fund balances</i>	-	(7,282)	-	-
<i>Total liabilities and fund balances</i>	\$ -	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	31,709	28,736
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,709</u>	<u>\$ 28,736</u>
\$ -	\$ -	\$ -	\$ -	\$ 420
-	-	-	-	-
-	-	-	103,052	25,652
-	-	-	-	2,664
-	5,754	-	-	-
-	<u>5,754</u>	-	<u>103,052</u>	<u>28,736</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(5,754)	-	(71,343)	-
-	<u>(5,754)</u>	-	<u>(71,343)</u>	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,709</u>	<u>\$ 28,736</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				
	Safe and Drug Free Schools	Rural and Low Income Schools	Title III - Immigrant Funding	Reading First	Jobs for Americas Graduates
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and cash equivalents	\$ 2,522	\$ -	\$ 14,111	\$ 143,769	\$ -
Investments	-	-	-	-	-
Accounts receivable:					
Taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	450	27,922	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 2,972</u>	<u>\$ 27,922</u>	<u>\$ 14,111</u>	<u>\$ 143,769</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	14,928	-	324,109	-
Deferred revenue	2,972	12,994	14,111	-	-
Advances from other funds	-	-	-	-	-
<i>Total liabilities</i>	<u>2,972</u>	<u>27,922</u>	<u>14,111</u>	<u>324,109</u>	<u>-</u>
<i>Fund balances:</i>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(180,340)	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,340)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,972</u>	<u>\$ 27,922</u>	<u>\$ 14,111</u>	<u>\$ 143,769</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 VI - Comprehensive	Advanced Placement Incentive Grant	Medicaid XIX	Title VII - Systemwide
\$ 15,774	\$ 12,999	\$ 499	\$ -	\$ 3,323	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,580	-	-	-	13,364	-
-	-	-	-	-	-
<u>\$ 19,354</u>	<u>\$ 12,999</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 16,687</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,585	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	34,159	-
19,354	2,939	499	-	-	-
-	-	-	-	-	-
<u>19,354</u>	<u>2,939</u>	<u>499</u>	<u>-</u>	<u>38,744</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,060	-	-	(22,057)	-
-	10,060	-	-	(22,057)	-
<u>\$ 19,354</u>	<u>\$ 12,999</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 16,687</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds			
	Teacher Quality Enhancement Grants	Foreign Language Incentive	Bill & Melinda Gates Intel	Private School Share
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
	-	-	-	-
<i>Total liabilities</i>	-	-	-	-
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	-	-	-	-
<i>Total fund balances</i>	-	-	-	-
<i>Total liabilities and fund balances</i>	\$ -	\$ -	\$ -	\$ -

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

Special Revenue Funds

GRADS Child Care	GRADS Instruction	GEAR-UP USDE	Bully Proofing	Healthier Schools/ Desert High	Local Combined Grants
\$ 6,190	\$ -	\$ -	\$ -	\$ -	\$ 621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
6,190	-	-	-	-	-
-	40,825	-	-	-	-
<u>6,190</u>	<u>40,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	621
-	-	-	-	-	-
-	-	-	-	-	-
-	(40,825)	-	-	-	-
<u>-</u>	<u>(40,825)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621</u>
<u>\$ 6,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				
	Breakfast in the Classroom	Technology for Education	Incentives for School Improvement	Libraries - GO Bonds	Beginning Teacher Mentoring Program
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and cash equivalents	\$ -	\$ 18,741	\$ 16,152	\$ -	\$ 10,637
Investments	-	-	-	-	-
Accounts receivable:					
Taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 18,741</u>	<u>\$ 16,152</u>	<u>\$ -</u>	<u>\$ 10,637</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	18,741	16,152	-	10,637
Advances from other funds	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>18,741</u>	<u>16,152</u>	<u>-</u>	<u>10,637</u>
<i>Fund balances:</i>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 18,741</u>	<u>\$ 16,152</u>	<u>\$ -</u>	<u>\$ 10,637</u>

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



Special Revenue Funds

Breakfast for Elementary Students	School Based Health Center	Adequacy Tech Equity Grant	Truancy Initiative	Libraries - SB 301 GO Bonds- Laws of 2006	Gear Up CHE
\$ -	\$ -	\$ 242,063	\$ -	\$ 7,273	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	40,484
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,063</u>	<u>\$ -</u>	<u>\$ 7,273</u>	<u>\$ 40,484</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
-	-	-	-	-	-
-	-	124,737	-	-	40,384
-	-	117,326	-	7,273	-
-	-	-	-	-	-
-	-	<u>242,063</u>	-	<u>7,273</u>	<u>40,484</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,063</u>	<u>\$ -</u>	<u>\$ 7,273</u>	<u>\$ 40,484</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				
	Early Intervention CYFD	Schools in Need of Improvement	State Equalization Guarantee Fed Stimulus	Dual Credit Instructional Materials	GO Student Library Fund
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and cash equivalents	\$ 40,732	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable:					
Taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	90	-	30,909
Inventory	-	-	-	-	-
	<u>\$ 40,732</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 30,909</u>
<i>Total assets</i>	<u>\$ 40,732</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 30,909</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	90	-	30,909
Deferred revenue	-	-	-	-	-
Advances from other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>90</u>	<u>-</u>	<u>30,909</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>90</u>	<u>-</u>	<u>30,909</u>
<i>Fund balances:</i>					
Nonspendable	-	-	-	-	-
Restricted	40,732	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>40,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>40,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 40,732</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 30,909</u>

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

Special Revenue Funds

School Improvement Framework	School Library Material Fund	Title I IASA Federal Stimulus	IDEA-B Risk Pool	Title I-School Improvement	IDEA B- Entitlement Fed Stimulus
\$ -	\$ 1,536	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	101,963	6,543	-	80,137
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ 101,963</u>	<u>\$ 6,543</u>	<u>\$ -</u>	<u>\$ 80,137</u>
\$ -	\$ 1,536	\$ -	\$ -	\$ -	\$ 290
-	-	-	-	-	-
-	-	101,963	6,543	-	79,847
-	-	-	-	-	-
-	-	-	-	-	-
-	1,536	101,963	6,543	-	80,137
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,536</u>	<u>\$ 101,963</u>	<u>\$ 6,543</u>	<u>\$ -</u>	<u>\$ 80,137</u>

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				
	Special Education- Preschool Fed Stimulus	Education of Homeless Fed Stimulus	Education Jobs Stimulus	Value Options DOH	Truancy CYFD
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,440	\$ -
Investments	-	-	-	-	-
Accounts receivable:					
Taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	7,167	190,787	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 7,167</u>	<u>\$ 190,787</u>	<u>\$ 5,440</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	7,167	190,787	-	6,529
Deferred revenue	-	-	-	5,440	-
Advances from other funds	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>7,167</u>	<u>190,787</u>	<u>5,440</u>	<u>6,529</u>
<i>Fund balances:</i>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(6,529)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,529)</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 7,167</u>	<u>\$ 190,787</u>	<u>\$ 5,440</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 Outlay - Bond	Total Nonmajor Capital Projects Funds	Technology Bonds - Debt Service	Total Nonmajor Governmental Funds
\$ 1,086,909	\$ 75,000	\$ -	\$ 75,000	\$ 59,712	\$ 1,221,621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
864,569	-	-	-	-	864,569
22,993	-	-	-	-	22,993
<u>\$ 1,974,471</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 59,712</u>	<u>\$ 2,109,183</u>
\$ 7,434	\$ -	\$ -	\$ -	\$ -	\$ 7,434
-	-	-	-	-	-
1,339,064	-	-	-	-	1,339,064
326,727	-	-	-	-	326,727
46,579	-	-	-	-	46,579
<u>1,719,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,719,804</u>
22,993	-	-	-	-	22,993
585,880	75,000	-	75,000	59,712	720,592
-	-	-	-	-	-
-	-	-	-	-	-
(354,206)	-	-	-	-	(354,206)
<u>254,667</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>59,712</u>	<u>389,379</u>
<u>\$ 1,974,471</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 59,712</u>	<u>\$ 2,109,183</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, 2011**

	Special Revenue Funds			
	Food Services	Athletics	Title I - IASA	Migrant Children Education
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	334	290	-	-
Food services	231,456	-	-	-
District activities	-	118,464	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	-
Revenue from state sources	-	376	-	-
Revenue from federal sources	1,102,285	-	596,218	31,516
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	<u>1,334,075</u>	<u>119,130</u>	<u>596,218</u>	<u>31,516</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	125,584	475,730	21,099
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	10,938	-
School administration	-	-	109,550	10,417
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	1,204,163	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>1,204,163</u>	<u>125,584</u>	<u>596,218</u>	<u>31,516</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>129,912</u>	<u>(6,454)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>				
Increase (decrease) in inventory	(11,734)	-	-	-
Transfers in (out)	-	-	-	-
<i>Net changes in fund balance</i>	<u>118,178</u>	<u>(6,454)</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>289,205</u>	<u>166,591</u>	<u>-</u>	<u>(29,250)</u>
<i>Fund balances--end of year</i>	<u>\$ 407,383</u>	<u>\$ 160,137</u>	<u>\$ -</u>	<u>\$ (29,250)</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
690,836	-	39,253	414	1,212	6,538
-	-	(286)	-	-	-
<u>690,836</u>	<u>-</u>	<u>38,967</u>	<u>414</u>	<u>1,212</u>	<u>6,538</u>
322,947	-	36,253	-	-	-
276,845	-	3,000	-	-	-
-	-	-	-	-	-
14,455	-	-	-	-	-
30,267	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
46,322	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>690,836</u>	<u>-</u>	<u>39,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(286)	414	1,212	6,538
-	-	-	-	-	-
-	-	-	(414)	(1,212)	(6,538)
-	-	(286)	-	-	-
-	-	(600)	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (886)</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, 2011**

	Special Revenue Funds			
	Drug Free Schools	Title I - 1003 G	Enhancing Education Thru Technology (E2T2-F)	Class Size Reduction
<b>REVENUES</b>				
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	-	-	17	2
Uncollectible revenue	-	(7,282)	-	-
<i>Total revenues</i>	-	(7,282)	17	2
<b>EXPENDITURES</b>				
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 service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(7,282)	17	2
<i>Other financing sources(uses):</i>				
Increase (decreases)in inventory	-	-	-	-
Transfers in (out)	(1)	-	(17)	(2)
<i>Net changes in fund balance</i>	(1)	(7,282)	-	-
<i>Beginning fund balances</i>	1	-	-	-
<i>Fund balances--end of year</i>	\$ -	\$ (7,282)	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	37,852	144,623
-	-	-	(25,000)	-
-	-	-	12,852	144,623
-	-	-	34,846	44,728
-	-	-	-	53,927
-	-	-	-	-
-	-	-	735	1,502
-	-	-	2,271	44,466
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	37,852	144,623
-	-	-	(25,000)	-
-	-	-	-	-
3,041	-	4,942	-	-
3,041	-	4,942	(25,000)	-
(3,041)	(5,754)	(4,942)	(46,343)	-
\$ -	\$ (5,754)	\$ -	\$ (71,343)	\$ -

**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, 2011**

	Special Revenue Funds				
	Safe and Drug Free Schools	Rural and Low Income Schools	Title III - Immigrant Funding	Reading First	Jobs for Americas Graduates
<b>REVENUES</b>					
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	8,855	62,806	-	-	-
Uncollectible revenue	-	-	-	(9,942)	-
<i>Total revenues</i>	<u>8,855</u>	<u>62,806</u>	<u>-</u>	<u>(9,942)</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	8,855	62,806	-	-	-
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>	<u>8,855</u>	<u>62,806</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,942)</u>	<u>-</u>
<i>Other financing sources(uses):</i>					
Increases (decreases) in inventory	-	-	-	-	-
Transfers in (out)	-	-	-	-	48,573
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,942)</u>	<u>48,573</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 year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (180,340)</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 VI - Comprehensive	Advanced Placement Incentive Grant	Medicaid XIX	Title VII - Systemwide
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,515	10,060	-	706	195,729	788
-	-	-	-	-	-
<u>15,515</u>	<u>10,060</u>	<u>-</u>	<u>706</u>	<u>195,729</u>	<u>788</u>
12,879	-	-	-	42,982	-
-	-	-	-	165,746	-
-	-	-	-	-	-
-	-	-	-	-	-
563	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,073	-	-	-	-	-
-	-	-	-	-	-
<u>15,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,728</u>	<u>-</u>
-	10,060	-	706	(12,999)	788
-	-	-	-	-	-
-	10,060	-	(706)	-	(788)
-	20,120	-	-	(12,999)	-
-	(10,060)	-	-	(9,058)	-
<u>\$ -</u>	<u>\$ 10,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,057)</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, 2011**

	Special Revenue Funds			
	Teacher Quality Enhancement Grants	Foreign Language Incentive	Bill & Melinda Gates Intel	Private School Share
<b>REVENUES</b>				
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	-	14	-	151
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	-	14	-	151
<b>EXPENDITURES</b>				
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>	-	14	-	151
<i>Other financing sources(uses):</i>				
Increases (decreases) in inventory	-	-	-	-
Transfers in (out)	(1)	(14)	(5)	(151)
<i>Net changes in fund balance</i>	(1)	-	(5)	-
<i>Beginning fund balances</i>	1	-	5	-
<i>Fund balances--end of year</i>	\$ -	\$ -	\$ -	\$ -

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

Special Revenue Funds

GRADS Child Care	GRADS Instruction	GEAR-UP USDE	Bully Proofing	Healthier Schools/ Desert High	Local Combined Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,917	4,000	-	-	-	-
-	-	-	3,194	-	-
-	-	-	-	-	-
1,917	4,000	-	3,194	-	-
-	3,633	-	-	-	-
1,917	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,917	3,633	-	-	-	-
-	367	-	3,194	-	-
-	-	-	-	-	-
-	-	30	(3,194)	(1)	-
-	367	30	-	(1)	-
-	(41,192)	(30)	-	1	621
\$ -	\$ (40,825)	\$ -	\$ -	\$ -	\$ 621

**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, 2011**

	Special Revenue Funds				
	Breakfast in the Classroom	Technology for Education	Incentives for School Improvement	Libraries - GO Bonds	Beginning Teacher Mentoring Program
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	-	2,268	-	-	4,505
Revenue from federal sources	-	-	-	-	-
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	-	2,268	-	-	4,505
<b>EXPENDITURES</b>					
Current:					
Instruction	-	1,208	-	-	4,505
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	1,060	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Operation of non instructional services					
Food services operation	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total expenditures</i>	-	2,268	-	-	4,505
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-	-
<i>Other financing sources(uses):</i>					
Increases (decreases) in inventory	-	-	-	-	-
Transfers in (out)	(2)	-	-	635	-
<i>Net changes in fund balance</i>	(2)	-	-	635	-
<i>Beginning fund balances</i>	2	-	-	(635)	-
<i>Fund balances--end of year</i>	\$ -	\$ -	\$ -	\$ -	\$ -

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

Special Revenue Funds

Breakfast for Elementary Students	School Based Health Center	Adequacy Tech Equity Grant	Truancy Initiative	Libraries - SB 301 GO Bonds- Laws of 2006	Gear Up-CHE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,500	75,000	3,260	-	-	115,620
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,500</u>	<u>75,000</u>	<u>3,260</u>	<u>-</u>	<u>-</u>	<u>115,620</u>
-	-	-	-	-	115,620
-	75,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,500	-	-	-	-	-
-	-	-	-	-	-
-	-	3,260	-	-	-
-	-	-	-	-	-
<u>13,500</u>	<u>75,000</u>	<u>3,260</u>	<u>-</u>	<u>-</u>	<u>115,620</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</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, 2011**

	Special Revenue Funds				
	Early Intervention CYFD	Schools in Need of Improvement	State Equalization Guarantee- Federal Stimulus	Dual Credit Instructional Materials	GO Student Library Fund
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	8,562	-	-	12,947	30,846
Revenue from federal sources	-	-	250,159	-	-
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	<u>8,562</u>	<u>-</u>	<u>250,159</u>	<u>12,947</u>	<u>30,846</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	21,317	-	87,609	12,947	30,846
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation and maintenance of plant	-	-	162,550	-	-
Operation of non instructional services					
Food services operation	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total expenditures</i>	<u>21,317</u>	<u>-</u>	<u>250,159</u>	<u>12,947</u>	<u>30,846</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(12,755)</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>(12,755)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>53,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances--end of year</i>	<u>\$ 40,732</u>	<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**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2011**

	Special Revenue Funds				
	Special Education Preschool Fed Stimulus	Education of Homeless Fed Stimulus	Education Jobs Stimulus	Value Options DOH	Truancy CYFD
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	-	-	-	64,560	8,329
Revenue from federal sources	8,760	9,143	672,170	-	-
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	<u>8,760</u>	<u>9,143</u>	<u>672,170</u>	<u>64,560</u>	<u>8,329</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	8,760	7,680	672,170	64,560	-
Support services					
Students	-	1,463	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Operation of non instructional services					
Food services operation	-	-	-	-	-
Community services	-	-	-	-	14,858
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
<i>Total expenditures</i>	<u>8,760</u>	<u>9,143</u>	<u>672,170</u>	<u>64,560</u>	<u>14,858</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,529)</u>
<i>Other financing sources(uses):</i>					
Increase (decrease) in inventory	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,529)</u>
<i>Beginning fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances--end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,529)</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 Outlay - Bond	Total Nonmajor Capital Projects Funds	Technology Bonds - Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 10
-	-	-	-	6	6
624	-	-	-	-	624
231,456	-	-	-	-	231,456
118,464	-	-	-	-	118,464
-	-	-	-	-	-
-	-	-	-	-	-
345,690	1,140,914	-	1,140,914	-	1,486,604
4,452,782	-	-	-	-	4,452,782
(42,510)	-	-	-	-	(42,510)
<u>5,106,506</u>	<u>1,140,914</u>	<u>-</u>	<u>1,140,914</u>	<u>16</u>	<u>6,247,436</u>
2,731,057	-	-	-	-	2,731,057
630,371	-	-	-	-	630,371
-	-	-	-	-	-
27,630	-	-	-	-	27,630
197,534	-	-	-	-	197,534
1,060	-	-	-	-	1,060
162,550	-	-	-	-	162,550
1,217,663	-	-	-	-	1,217,663
61,180	-	-	-	-	61,180
5,333	1,065,914	-	1,065,914	-	1,071,247
-	-	-	-	-	-
<u>5,034,378</u>	<u>1,065,914</u>	<u>-</u>	<u>1,065,914</u>	<u>-</u>	<u>6,100,292</u>
72,128	75,000	-	75,000	16	147,144
(11,734)	-	-	-	-	(11,734)
54,235	(124,737)	(53,269)	(178,006)	-	(123,771)
114,629	(49,737)	(53,269)	(103,006)	16	11,639
140,038	124,737	53,269	178,006	59,696	377,740
<u>\$ 254,667</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 59,712</u>	<u>\$ 389,379</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 200	\$ 200	\$ 334	\$ 134
District activities	301,990	301,990	231,456	(70,534)
Revenues from federal sources	1,097,493	1,097,493	1,102,285	4,792
Revenue from state sources	-	-	-	-
<i>Total revenues</i>	<u>1,399,683</u>	<u>1,399,683</u>	<u>1,334,075</u>	<u>(65,608)</u>
<b>EXPENDITURES</b>				
Operation of non-instructional services:				
Food services	1,625,103	1,625,103	1,204,163	420,940
Capital outlay	5,580	5,580	-	5,580
<i>Total expenditures</i>	<u>1,630,683</u>	<u>1,630,683</u>	<u>1,204,163</u>	<u>426,520</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(231,000)</u>	<u>(231,000)</u>	<u>129,912</u>	<u>360,912</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>(231,000)</u>	<u>(231,000)</u>	<u>129,912</u>	<u>360,912</u>
<i>Prior year cash balance</i>	<u>254,478</u>	<u>254,478</u>	<u>254,478</u>	<u>254,478</u>
<i>End of year cash balance</i>	<u>\$ 23,478</u>	<u>\$ 23,478</u>	<u>\$ 384,390</u>	<u>\$ 615,390</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Inventory			(11,734)	
Net change in fund balance (GAAP basis)			<u>\$ 118,178</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><i>REVENUES</i></b>				
Investment Income	\$ -	\$ -	\$ 290	\$ 290
District activities	80,000	80,000	118,464	38,464
Revenue from state sources	-	-	376	376
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	80,000	80,000	119,130	39,130
<b><i>EXPENDITURES</i></b>				
Instruction	246,895	246,895	125,584	121,311
<i>Total expenditures</i>	246,895	246,895	125,584	121,311
<i>Excess (deficiency) of revenues over expenditures</i>	(166,895)	(166,895)	(6,454)	160,441
<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>	(166,895)	(166,895)	(6,454)	160,441
<i>Prior year cash balance</i>	166,591	166,591	166,591	166,591
<i>End of year cash balance</i>	\$ (304)	\$ (304)	\$ 160,137	\$ 327,032

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 703,897	\$ 777,957	\$ 600,156	\$ (177,801)
<i>Total revenues</i>	<u>703,897</u>	<u>777,957</u>	<u>600,156</u>	<u>(177,801)</u>
<b>EXPENDITURES</b>				
Instruction	586,575	655,635	475,730	179,905
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	7,204	11,129	10,938	191
School administration	110,118	111,193	109,550	1,643
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>703,897</u>	<u>777,957</u>	<u>596,218</u>	<u>181,739</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,938</u>	<u>3,938</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>3,938</u>	<u>3,938</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(46,807)</u>	<u>(46,807)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,869)</u>	<u>\$ (42,869)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(3,733)	
Accounts payable			(205)	
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 - Migrant Children Education Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 35,000	\$ 38,801	\$ 28,573	\$ (10,228)
<i>Total revenues</i>	<u>35,000</u>	<u>38,801</u>	<u>28,573</u>	<u>(10,228)</u>
<b>EXPENDITURES</b>				
Instruction	30,500	23,373	21,099	2,274
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
School administration	4,500	15,428	10,417	5,011
<i>Total expenditures</i>	<u>35,000</u>	<u>38,801</u>	<u>31,516</u>	<u>7,285</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,943)</u>	<u>(2,943)</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>(2,943)</u>	<u>(2,943)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(16,672)</u>	<u>(16,672)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,615)</u>	<u>\$ (19,615)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			2,943	
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 Entitlement Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 719,500	\$ 736,584	\$ 577,991	\$ (158,593)
<i>Total revenues</i>	<u>719,500</u>	<u>736,584</u>	<u>577,991</u>	<u>(158,593)</u>
<b>EXPENDITURES</b>				
Instruction	311,708	328,793	322,947	5,846
Support services:				
Students	302,595	302,595	276,845	25,750
General administration	8,887	14,455	14,455	-
School administration	30,490	30,490	30,267	223
Central services	-	-	-	-
Community services	65,820	60,251	46,322	13,929
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>719,500</u>	<u>736,584</u>	<u>690,836</u>	<u>45,748</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(112,845)</u>	<u>(112,845)</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>(112,845)</u>	<u>(112,845)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(28,529)</u>	<u>(28,529)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (141,374)</u>	<u>\$ (141,374)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			113,142	
Accounts payable			(297)	
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 Discretionary Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 34,750	\$ 50,127	\$ 32,319	\$ (17,808)
<i>Total revenues</i>	<u>34,750</u>	<u>50,127</u>	<u>32,319</u>	<u>(17,808)</u>
<b>EXPENDITURES</b>				
Instruction	12,125	46,627	36,253	10,374
Support services:				
Students	3,500	3,500	3,000	500
General administration	-	-	-	-
Community services	-	-	-	-
Capital outlay	19,125	-	-	-
<i>Total expenditures</i>	<u>34,750</u>	<u>50,127</u>	<u>39,253</u>	<u>10,874</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,934)</u>	<u>(6,934)</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>(6,934)</u>	<u>(6,934)</u>
<i>Prior year cash balance</i>	166	166	(886)	(886)
<i>End of year cash balance</i>	<u>\$ 166</u>	<u>\$ 166</u>	<u>\$ (7,820)</u>	<u>\$ (7,820)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			6,648	
Net change in fund balance (GAAP basis)			<u>\$ (286)</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, 2011**

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

**RECONCILIATION TO GAAP**

Adjustments:

Deferred revenue

414

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 II - ESEA Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(1,212)	(1,212)
<i>Total other financing sources (uses)</i>	-	-	(1,212)	(1,212)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1,212)	(1,212)
<i>Prior year cash balance</i>	-	-	1,212	1,212
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			1,212	
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 VII - Emergency Immigrant Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(6,538)	(6,538)
<i>Total other financing sources (uses)</i>	-	-	(6,538)	(6,538)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(6,538)	(6,538)
<i>Prior year cash balance</i>	-	-	6,538	6,538
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			6,538	
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**  
**Drug Free Schools Special Revenue Fund**  
**For the Year Ended June 30, 2011**

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

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**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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(7,282)	
Net change in fund balance (GAAP basis)			\$ (7,282)	

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenues from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(17)	(17)
<i>Total other financing sources (uses)</i>	-	-	(17)	(17)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(17)	(17)
<i>Prior year cash balance</i>	-	-	17	17
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			17	
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**  
**Class Size Reduction Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Support services:				
Students	-	-	-	-
<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	-	-	-	-
Transfers in (out)	-	-	(2)	(2)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			2	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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**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, 2011**

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

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**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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
Support services:				
General administration	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	4,942	4,942
<i>Total other financing sources (uses)</i>	-	-	4,942	4,942
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	4,942	4,942
<i>Prior year cash balance</i>	-	-	(4,942)	(4,942)
<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**  
**English Language Acquisition Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 40,247	\$ 74,032	\$ 53,992	\$ (20,040)
<i>Total revenues</i>	<u>40,247</u>	<u>74,032</u>	<u>53,992</u>	<u>(20,040)</u>
<b>EXPENDITURES</b>				
Instruction	39,247	70,482	34,846	35,636
Support services				
Students	-	-	-	-
General administration	1,000	1,000	735	265
School administration	-	2,550	2,271	279
<i>Total expenditures</i>	<u>40,247</u>	<u>74,032</u>	<u>37,852</u>	<u>36,180</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>16,140</u>	<u>16,140</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>16,140</u>	<u>16,140</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(72,848)</u>	<u>(72,848)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,708)</u>	<u>\$ (56,708)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(41,140)	
Net change in fund balance (GAAP basis)			<u>\$ (25,000)</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 181,766	\$ 263,715	\$ 123,395	\$ (140,320)
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	<u>181,766</u>	<u>263,715</u>	<u>123,395</u>	<u>(140,320)</u>
<b>EXPENDITURES</b>				
Instruction	22,026	115,370	44,728	70,642
Support services:				
Students	33,586	54,242	53,927	315
Instruction	-	-	-	-
General administration	4,246	4,246	1,502	2,744
School administration	121,908	89,857	44,466	45,391
Central services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>181,766</u>	<u>263,715</u>	<u>144,623</u>	<u>119,092</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,228)</u>	<u>(21,228)</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>(21,228)</u>	<u>(21,228)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(4,423)</u>	<u>(4,423)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,651)</u>	<u>\$ (25,651)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			21,648	
Accounts payable			(420)	
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**  
**Safe and Drug Free Schools Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 9,056	\$ 9,228	\$ 172
<i>Total revenues</i>	<u>-</u>	<u>9,056</u>	<u>9,228</u>	<u>172</u>
<b>EXPENDITURES</b>				
Instruction	-	9,056	8,855	201
<i>Total expenditures</i>	<u>-</u>	<u>9,056</u>	<u>8,855</u>	<u>201</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>373</u>	<u>373</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>373</u>	<u>373</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>2,149</u>	<u>2,149</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,522</u>	<u>\$ 2,522</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(373)	
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**  
**Rural and Low Income Schools Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 66,606	\$ 50,758	\$ (15,848)
<i>Total revenues</i>	<u>-</u>	<u>66,606</u>	<u>50,758</u>	<u>(15,848)</u>
<b>EXPENDITURES</b>				
Instruction	-	66,606	62,806	3,800
Support services:				
General administration	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>66,606</u>	<u>62,806</u>	<u>3,800</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,048)</u>	<u>(12,048)</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>(12,048)</u>	<u>(12,048)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(2,881)</u>	<u>(2,881)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,929)</u>	<u>\$ (14,929)</u>

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable

11,903

Deferred revenue

145

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 III Immigrant Funding Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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>	-	-	14,111	14,111
<i>End of year cash balance</i>	\$ -	\$ -	\$ 14,111	\$ 14,111

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ 177	\$ 177
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
Capital outlay	-	-	-	-
<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>177</u>	<u>177</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>177</u>	<u>177</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(10,117)</u>	<u>(10,117)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,940)</u>	<u>\$ (9,940)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(10,119)	
Net change in fund balance (GAAP basis)			<u>\$ (9,942)</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**  
**Jobs for Americas Graduates Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	48,573	48,573
<i>Total other financing sources (uses)</i>	-	-	48,573	48,573
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	48,573	48,573
<i>Prior year cash balance</i>	-	-	(48,573)	(48,573)
<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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 28,924	\$ 23,668	\$ 12,434	\$ (11,234)
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	<u>28,924</u>	<u>23,668</u>	<u>12,434</u>	<u>(11,234)</u>
<b>EXPENDITURES</b>				
Instruction	28,924	20,595	12,879	7,716
Support services:				
School administration	-	1,000	562	438
Capital outlay	-	2,073	2,073	-
<i>Total expenditures</i>	<u>28,924</u>	<u>23,668</u>	<u>15,514</u>	<u>8,154</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,080)</u>	<u>(3,080)</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>(3,080)</u>	<u>(3,080)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>18,854</u>	<u>18,854</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,774</u>	<u>\$ 15,774</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			3,080	
Deferred revenue			-	
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**  
**Carl D Perkins - High Schools Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ 12,999	\$ 12,999
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>12,999</u>	<u>12,999</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
Support services:				
Instruction	-	-	-	-
School administration	-	-	-	-
Capital Outlay	-	-	-	-
<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>12,999</u>	<u>12,999</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	10,060	10,060
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>10,060</u>	<u>10,060</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>23,059</u>	<u>23,059</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(10,060)</u>	<u>(10,060)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,999</u>	<u>\$ 12,999</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(2,939)	
Net change in fund balance (GAAP basis)			<u>\$ 20,120</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 - Comprehensive Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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>	\$ -	\$ -	\$ 499	\$ 499

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(706)	(706)
<i>Total other financing sources (uses)</i>	-	-	(706)	(706)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(706)	(706)
<i>Prior year cash balance</i>	-	-	706	706
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			706	
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**  
**Medicaid XIX Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 244,583	\$ 200,808	\$ (43,775)
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	-	244,583	200,808	(43,775)
<b>EXPENDITURES</b>				
Instruction	-	58,745	38,397	20,348
Support services:				
Students	-	185,838	165,746	20,092
<i>Total expenditures</i>	-	244,583	204,143	40,440
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(3,335)	(3,335)
<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>	-	-	(3,335)	(3,335)
<i>Prior year cash balance</i>	-	-	(27,501)	(27,501)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (30,836)	\$ (30,836)

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable	(5,079)
Accounts payable	(4,585)
Net change in fund balance (GAAP basis)	\$ (12,999)

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Food services	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(788)	(788)
<i>Total other financing sources (uses)</i>	-	-	(788)	(788)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(788)	(788)
<i>Prior year cash balance</i>	-	-	788	788
<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**  
**Teacher Quality Enhancement Grants Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(1)	(1)
<i>Total other financing sources (uses)</i>	-	-	(1)	(1)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(1)	(1)
<i>Prior year cash balance</i>	-	-	1	1
<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**  
**Foreign Language Incentive Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
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	-	-	-	-
Transfers in (out)	-	-	(14)	(14)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			14	
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**  
**Bill and Melinda Gates Intel Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfer in (out)	-	-	(5)	(5)
<i>Total other financing sources (uses)</i>	-	-	(5)	(5)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(5)	(5)
<i>Prior year cash balance</i>	-	-	5	5
<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**  
**Private School Share Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	(151)	(151)
<i>Total other financing sources (uses)</i>	-	-	(151)	(151)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(151)	(151)
<i>Prior year cash balance</i>	-	-	151	151
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			151	
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**  
**GRADS Child Care Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 2,000	\$ 2,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	-	2,000	1,917	83
<i>Total expenditures</i>	<u>-</u>	<u>2,000</u>	<u>1,917</u>	<u>83</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>83</u>	<u>83</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>83</u>	<u>83</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>6,107</u>	<u>6,107</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,190</u>	<u>\$ 6,190</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(83)	
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**  
**GRADS Instruction Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 4,000	\$ 4,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	-	4,000	3,633	367
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,000</u>	<u>3,633</u>	<u>367</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>367</u>	<u>367</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>367</u>	<u>367</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(41,191)</u>	<u>(41,191)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,824)</u>	<u>\$ (40,824)</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 USDE Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	30	30
<i>Total other financing sources (uses)</i>	-	-	30	30
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	30	30
<i>Prior year cash balance</i>	-	-	(30)	(30)
<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**  
**Bully Proofing Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
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	-	-	-	-
Transfers in (out)	-	-	(3,194)	(3,194)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(3,194)</u>	<u>(3,194)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,194)</u>	<u>(3,194)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>3,194</u>	<u>3,194</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			3,194	
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**  
**Healthier Schools/Desert High Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
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	-	-	-	-
Transfers in (out)	-	-	(1)	(1)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</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**  
**Local Combined Grant Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
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	-	-	-	-
Transfer in (out)	-	-	(2)	(2)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(2)	
Net change in fund balance (GAAP basis)			<u>\$ (4)</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**  
**Technology for Education Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 2,565	\$ -	\$ (2,565)
<i>Total revenues</i>	-	2,565	-	(2,565)
<b>EXPENDITURES</b>				
Instruction	-	3,775	1,208	2,567
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
Central services	-	21,419	2,680	18,739
<i>Total expenditures</i>	-	25,194	3,888	21,306
<i>Excess (deficiency) of revenues over expenditures</i>	-	(22,629)	(3,888)	18,741
<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>	-	(22,629)	(3,888)	18,741
<i>Prior year cash balance</i>	-	22,629	22,629	22,629
<i>End of year cash balance</i>	\$ -	\$ -	\$ 18,741	\$ 41,370

**RECONCILIATION TO GAAP**

Adjustments:

Deferred revenue	2,268
Accounts payable	1,620
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**  
**Incentives for School Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 16,152	\$ -	\$ (16,152)
<i>Total revenues</i>	<u>-</u>	<u>16,152</u>	<u>-</u>	<u>(16,152)</u>
<b>EXPENDITURES</b>				
Instruction	-	16,152	-	16,152
<i>Total expenditures</i>	<u>-</u>	<u>16,152</u>	<u>-</u>	<u>16,152</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>16,152</u>	<u>16,152</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,152</u>	<u>\$ 16,152</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 - GO Bond Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues     over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	635	635
<i>Total other financing sources (uses)</i>	-	-	635	635
<i>Excess (deficiency) of revenues and     other sources (uses) over expenditures</i>	-	-	635	635
<i>Prior year cash balance</i>	-	-	(635)	(635)
<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**  
**Beginning Teacher Mentoring Program Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 15,143	\$ -	\$ (15,143)
<i>Total revenues</i>	<u>-</u>	<u>15,143</u>	<u>-</u>	<u>(15,143)</u>
<b>EXPENDITURES</b>				
Instruction	-	15,143	4,505	10,638
<i>Total expenditures</i>	<u>-</u>	<u>15,143</u>	<u>4,505</u>	<u>10,638</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,505)</u>	<u>(4,505)</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>(4,505)</u>	<u>(4,505)</u>
<i>Prior year cash balance</i>		<u>15,143</u>	<u>15,143</u>	<u>15,143</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ 15,143</u>	<u>\$ 10,638</u>	<u>\$ 10,638</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			<u>4,505</u>	
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 13,500	\$ 13,500	\$ -
<i>Total revenues</i>	-	13,500	13,500	-
<b>EXPENDITURES</b>				
Support services:				
Food service	-	13,500	13,500	-
<i>Total expenditures</i>	-	13,500	13,500	-
<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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
Revenue from state sources	-	-	101,400	101,400
<i>Total revenues</i>	-	-	101,400	101,400
<b>EXPENDITURES</b>				
Support services:				
Students	-	-	101,400	(101,400)
<i>Total expenditures</i>	-	-	101,400	(101,400)
<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>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
Instruction	-	45,323	-	45,323
Student services:				
Instruction	-	-	-	-
Capital outlay	-	200,000	3,260	196,740
<i>Total expenditures</i>	-	245,323	3,260	242,063
<i>Excess (deficiency) of revenues over expenditures</i>	-	(245,323)	(3,260)	242,063
<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>	-	(245,323)	(3,260)	242,063
<i>Prior year cash balance</i>	-	245,323	120,587	120,587
<i>End of year cash balance</i>	\$ -	\$ -	\$ 117,327	\$ 362,650
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			3,260	
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**  
**Truancy Initiative PED Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ 4,840	\$ 4,840
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,840</u>	<u>4,840</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<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>4,840</u>	<u>4,840</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>4,840</u>	<u>4,840</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(4,840)</u>	<u>(4,840)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			<u>(4,840)</u>	
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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ 30,611	\$ 30,611
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>30,611</u>	<u>30,611</u>
<b>EXPENDITURES</b>				
Support Services				
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>30,611</u>	<u>30,611</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>30,611</u>	<u>30,611</u>
<i>Prior year cash balance</i>	-	-	(23,339)	(23,339)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,272</u>	<u>\$ 7,272</u>

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable	(23,339)
Deferred revenue	(7,272)
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 129,420	\$ 121,275	\$ (8,145)
<i>Total revenues</i>	<u>-</u>	<u>129,420</u>	<u>121,275</u>	<u>(8,145)</u>
<b>EXPENDITURES</b>				
Instruction	-	129,420	115,619	13,801
School Admin	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>129,420</u>	<u>115,619</u>	<u>13,801</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>5,656</u>	<u>5,656</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>5,656</u>	<u>5,656</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(46,039)</u>	<u>(46,039)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,383)</u>	<u>\$ (40,383)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(5,555)	
Accounts payable			(101)	
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**  
**Early Intervention CYFD Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ 8,562	\$ 8,562
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>8,562</u>	<u>8,562</u>
<b>EXPENDITURES</b>				
Instruction	44,161	44,161	21,317	22,844
<i>Total expenditures</i>	<u>44,161</u>	<u>44,161</u>	<u>21,317</u>	<u>22,844</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(44,161)</u>	<u>(44,161)</u>	<u>(12,755)</u>	<u>31,406</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>(44,161)</u>	<u>(44,161)</u>	<u>(12,755)</u>	<u>31,406</u>
<i>Prior year cash balance</i>	<u>53,487</u>	<u>53,487</u>	<u>53,487</u>	<u>53,487</u>
<i>End of year cash balance</i>	<u>\$ 9,326</u>	<u>\$ 9,326</u>	<u>\$ 40,732</u>	<u>\$ 84,893</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ 63,075	\$ 63,075
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>63,075</u>	<u>63,075</u>
<b>EXPENDITURES</b>				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
<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>63,075</u>	<u>63,075</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>	-	-	63,075	63,075
<i>Prior year cash balance</i>	-	-	(63,075)	(63,075)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(63,075)	
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 248,488	\$ 250,159	\$ 860,980	\$ 610,821
<i>Total revenues</i>	<u>248,488</u>	<u>250,159</u>	<u>860,980</u>	<u>610,821</u>
<b>EXPENDITURES</b>				
Instruction	248,488	87,609	87,609	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	162,550	162,550	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>248,488</u>	<u>250,159</u>	<u>250,159</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>610,821</u>	<u>610,821</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>610,821</u>	<u>610,821</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(610,911)</u>	<u>(610,911)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (90)</u>	<u>\$ (90)</u>

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable	(611,503)
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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 12,947	\$ 12,947	\$ -
<i>Total revenues</i>	<u>-</u>	<u>12,947</u>	<u>12,947</u>	<u>-</u>
<b>EXPENDITURES</b>				
Support Services				
Instruction	-	12,947	12,947	-
<i>Total expenditures</i>	<u>-</u>	<u>12,947</u>	<u>12,947</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>	<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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 34,590	\$ -	\$ (34,590)
<i>Total revenues</i>	<u>-</u>	<u>34,590</u>	<u>-</u>	<u>(34,590)</u>
<b>EXPENDITURES</b>				
Support Services				
Instruction	-	34,590	30,846	3,744
<i>Total expenditures</i>	<u>-</u>	<u>34,590</u>	<u>30,846</u>	<u>3,744</u>
<i>Excess (deficiency) of revenues     over expenditures</i>	<u>-</u>	<u>-</u>	<u>(30,846)</u>	<u>(30,846)</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>(30,846)</u>	<u>(30,846)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(63)</u>	<u>(63)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,909)</u>	<u>\$ (30,909)</u>

**RECONCILIATION TO GAAP**

Adjustments:

Accounts receivable

Net change in fund balance (GAAP basis)

30,846
<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**  
**Schools in Need of Improvement Framework Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ -	\$ 15,991	\$ 15,991
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,991</u>	<u>15,991</u>
<b>EXPENDITURES</b>				
Support services:				
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>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>(15,991)</u>	<u>(15,991)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 1,535	\$ -	\$ (1,535)
<i>Total revenues</i>	-	1,535	-	(1,535)
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	1,535	-	1,535
<i>Total expenditures</i>	-	1,535	-	1,535
<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>	-	-	1,536	1,536
<i>End of year cash balance</i>	\$ -	\$ -	\$ 1,536	\$ 1,536

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ 365,055	\$ 361,198	\$ 283,842	\$ (77,356)
<i>Total revenues</i>	<u>365,055</u>	<u>361,198</u>	<u>283,842</u>	<u>(77,356)</u>
<b>EXPENDITURES</b>				
Instruction	362,096	361,198	361,198	-
Support services:				
General administration	2,959	-	-	-
<i>Total expenditures</i>	<u>365,055</u>	<u>361,198</u>	<u>361,198</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(77,356)</u>	<u>(77,356)</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>(77,356)</u>	<u>(77,356)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(24,607)</u>	<u>(24,607)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (101,963)</u>	<u>\$ (101,963)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			77,356	
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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 6,543	\$ -	\$ (6,543)
<i>Total revenues</i>	-	6,543	-	(6,543)
<b>EXPENDITURES</b>				
Instruction	-	6,543	6,543	-
<i>Total expenditures</i>	-	6,543	6,543	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(6,543)	(6,543)
<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>	-	-	(6,543)	(6,543)
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ (6,543)	\$ (6,543)
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			6,543	
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 - Schools in Need of Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 3,134	\$ 20,181	\$ 17,047
<i>Total revenues</i>	<u>-</u>	<u>3,134</u>	<u>20,181</u>	<u>17,047</u>
<b>EXPENDITURES</b>				
Instruction	-	3,134	-	3,134
<i>Total expenditures</i>	<u>-</u>	<u>3,134</u>	<u>-</u>	<u>3,134</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>20,181</u>	<u>20,181</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>20,181</u>	<u>20,181</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(20,181)</u>	<u>(20,181)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(20,181)	
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 Entitlement Federal Stimulus Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 196,225	\$ 180,867	\$ (15,358)
<i>Total revenues</i>	-	196,225	180,867	(15,358)
<b>EXPENDITURES</b>				
Instruction	-	143,752	143,752	-
Support services:				
Students	-	52,473	52,473	-
<i>Total expenditures</i>	-	196,225	196,225	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(15,358)	(15,358)
<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>	-	-	(15,358)	(15,358)
<i>Prior year cash balance</i>	-	-	(64,489)	(64,489)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (79,847)	\$ (79,847)
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			15,648	
Accounts payable			(290)	
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 Preschool Federal Stimulus Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 8,760	\$ 12,041	\$ 3,281
<i>Total revenues</i>	-	8,760	12,041	3,281
<b>EXPENDITURES</b>				
Instruction	-	8,760	8,760	-
<i>Total expenditures</i>	-	8,760	8,760	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	3,281	3,281
<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>	-	-	3,281	3,281
<i>Prior year cash balance</i>	-	-	(3,281)	(3,281)
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			(3,281)	
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**  
**Education of Homeless Federal Stimulus Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ -	\$ 2,065	\$ 2,065
<i>Total revenues</i>	-	-	2,065	2,065
<b>EXPENDITURES</b>				
Instruction	4,000	7,700	7,680	20
Support services:				
Students	5,911	2,211	1,463	748
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	9,911	9,911	9,143	768
<i>Excess (deficiency) of revenues over expenditures</i>	(9,911)	(9,911)	(7,078)	2,833
<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>	(9,911)	(9,911)	(7,078)	2,833.00
<i>Prior year cash balance</i>	-	-	(89)	(89)
<i>End of year cash balance</i>	\$ (9,911)	\$ (9,911)	\$ (7,167)	\$ 2,744
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			7,078	
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**  
**Education Jobs Federal Stimulus Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from federal sources	\$ -	\$ 672,171	\$ 481,384	\$ (190,787)
<i>Total revenues</i>	<u>-</u>	<u>672,171</u>	<u>481,384</u>	<u>(190,787)</u>
<b>EXPENDITURES</b>				
Instruction	-	672,171	672,171	-
<i>Total expenditures</i>	<u>-</u>	<u>672,171</u>	<u>672,171</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(190,787)</u>	<u>(190,787)</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>(190,787)</u>	<u>(190,787)</u>
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (190,787)</u>	<u>\$ (190,787)</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Accounts receivable			190,787	
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**  
**Value Options DOH Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 70,000	\$ 70,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instruction	-	70,000	64,560	5,440
<i>Total expenditures</i>	<u>-</u>	<u>70,000</u>	<u>64,560</u>	<u>5,440</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>5,440</u>	<u>5,440</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>5,440</u>	<u>5,440</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>\$ 5,440</u>	<u>\$ 5,440</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Deferred revenue			(5,440)	
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 CYFD Special Revenue Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 15,000	\$ 8,329	\$ (6,671)
<i>Total revenues</i>	<u>-</u>	<u>15,000</u>	<u>8,329</u>	<u>(6,671)</u>
<b>EXPENDITURES</b>				
Support services:				
Operation & maintenance of plant	-	15,000	14,858	142
<i>Total expenditures</i>	<u>-</u>	<u>15,000</u>	<u>14,858</u>	<u>142</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,529)</u>	<u>(6,529)</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>(6,529)</u>	<u>(6,529)</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>\$ (6,529)</u>	<u>\$ (6,529)</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 Capital Outlay State Capital Project Fund**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from state sources	\$ -	\$ 1,139,673	\$ 1,140,914	\$ 1,241
<i>Total revenues</i>	<u>-</u>	<u>1,139,673</u>	<u>1,140,914</u>	<u>1,241</u>
<b>EXPENDITURES</b>				
Capital outlay	-	1,139,673	1,065,914	73,759
<i>Total expenditures</i>	<u>-</u>	<u>1,139,673</u>	<u>1,065,914</u>	<u>73,759</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</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>75,000</u>	<u>75,000</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>\$ 75,000</u>	<u>\$ 75,000</u>
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Transfer out on GAAP			(124,737)	
Net change in fund balance (GAAP basis)			<u>(49,737)</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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
<b>EXPENDITURES</b>				
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>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION TO GAAP</b>				
Adjustments:				
Transfer out			(53,269)	
Net change in fund balance (GAAP basis)			\$ (53,269)	

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, 2011**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 16	\$ 16
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
<b>EXPENDITURES</b>				
Support services:				
Instruction	-	50	-	50
Debt service	59,696	59,646	-	59,646
<i>Total expenditures</i>	<u>59,696</u>	<u>59,696</u>	<u>-</u>	<u>59,696</u>
<i>Excess (deficiency) of revenues     over expenditures</i>	<u>(59,696)</u>	<u>(59,696)</u>	<u>16</u>	<u>59,712</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>(59,696)</u>	<u>(59,696)</u>	<u>16</u>	<u>59,712</u>
<i>Prior year cash balance</i>	<u>59,696</u>	<u>59,696</u>	<u>59,696</u>	<u>59,696</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,712</u>	<u>\$ 119,408</u>

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

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Fiduciary Funds  
June 30, 2011**

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, 2011**

	Balance 06/30/10	Transfers	Additions	Deductions	Balance 06/30/11
High School Yearbook	3,022		7,043	180	\$ 9,885
6th Grade Energy Club	154		-	-	154
Business Professional of America	3,040		-	-	3,040
7th Grade Choir	138		-	-	138
Key Club	1,668		1,790	1,411	2,047
AP Consumable Lab/Cavine	286		-	-	286
Cheerleaders-High School	1,450		15,169	9,446	7,173
Cheerleaders-Jr. High	1,264		5,547	1,889	4,922
Communication	87		272	-	359
Consumable Workbooks	108		-	-	108
Llano Activity Fund	1,513		2,539	2,702	1,350
FFA	19,669		42,230	36,808	25,091
LHS FCCLA	3,476		12,494	7,164	8,806
FHA-Jr. High	28		-	-	28
Scholarship Activity	5,248		500	-	5,748
High School Computer Lab-NMJC	5,601	(1,200)	883	248	5,036
HS Student ID	987		-	-	987
TMS Technology	147		-	-	147
Administration Coke Fund	137		79	-	216
Judy Davis Memorial	398		-	-	398
TMS Activity Account	3,241		11,298	8,947	5,592
6th Grade Activity Account	6,628		17,361	21,658	2,331
Junior Class	6,111	(1,001)	4,786	4,796	5,100
Library Fines	1,504		-	20	1,484
Miscellaneous	15,052		11,092	14,405	11,739
NOW/Account/Interest Earned	1,997		412	-	2,409
Senior Class	3,034	(335)	80	808	1,971
Sophomore Class	258	1,296	-	-	1,554
Choir Activity	2,020		5,200	-	7,220
Special Education Fund	3,171		23,928	25,635	1,464
TMS Honor Society	2,865		-	910	1,955
Student Council-High School	4,664		4,400	3,365	5,699
Student Council-Jr. High	294		-	-	294
6th Grade Honor Society	4,337		14,688	14,316	4,709
Summer School	13,368		1,504	280	14,592
Volleyball - High School	119		824	453	490
9th Grade Home Economics	575		-	27	548
A.K. Head Scholarship	3,499		29	-	3,528

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, 2011**

	Balance 06/30/10	Transfers	Additions	Deductions	Balance 06/30/11
<b>ACTIVITY ASSETS (continued)</b>					
H. Clardy Scholarship	5,987		31	500	5,518
Crouse Memorial Scholarship	9,961		346	1,500	8,807
Volleyball - Junior High	323		-	-	323
Wal-Mart Teacher of the Year	33		-	-	33
9th Media Class	1,041		-	599	442
Ben Alexander Activity	4,374		3,097	3,548	3,923
Task Force for Substance	1,250		-	-	1,250
Project Planned Success	1,115		310	-	1,425
National Honor Society	1,058		760	695	1,123
TMS Library/M. Gutierrez	1,510		172	90	1,592
Jr. High Library	354		1,164	1,200	318
Jefferson Activity Fund	14,755		18,055	16,953	15,857
District 4AAA Activity Fund	3,193		5,931	6,341	2,783
LJHS Media Class	152		-	-	152
After Grads	14,320		18,123	14,411	18,032
High School Library	5,780		2,156	2,038	5,898
Junior High Home Economics	695		-	-	695
Jr. High National Honor Society	211		-	-	211
Culinary Arts Lab Fee	1,897		1,631	748	2,780
High School Principals Coke Acct.	84		591	549	126
LJHS Dance	1,032	1,200	-	1,000	1,232
High School Math-Ancell	1,199		312	152	1,359
High School Parking Sticker-A.K.	390		-	-	390
Yarbro Library	823		9,989	9,580	1,232
Jefferson Library	8,168		7,377	5,533	10,012
Ben A. Library	1,843		6,235	6,050	2,028
Lea Library	237		6,312	6,255	294
Llano Library	3,170		8,524	8,308	3,386
Bob Jameson Memorial	2,325		-	2,000	325
Freshman Academy Volleyball	63		-	-	63
Elementary Fine Arts - Belinda	13,462		3,155	2,312	14,305
High School Art Club	295		-	-	295
9th Grade Student Council	1,433	40	-	-	1,473
Brian Urlacher Scholarship	3,125		-	-	3,125
David Templeman Memorial	8,065		225	2,000	6,290
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, 2011**

	Balance 06/30/10	Transfers	Additions	Deductions	Balance 06/30/11
<b>ACTIVITY ASSETS (continued)</b>					
Bilingual/J. Paloma	-		7,918	7,274	644
LEA Activity Fund	5,051		20,372	22,562	2,861
High School Tech Lab	800		-	-	800
Yarbro Activity Account	8,284		27,863	31,984	4,163
9th Grade FHA	27		-	-	27
Character Counts-Becky Davis	5		-	-	5
Science Activity Fund	5,188		4,837	4,609	5,416
Department of Public Safety	816		2,906	2,343	1,379
Jr. High Lounge Cokes	1,001		93	-	1,094
HS - PSAT Testing	41		286	-	327
9th Dance Fund	649		-	-	649
NHHS Activity	2,048		1,260	2,684	624
9th Grade Cheerleader Fund	1,561		1,541	420	2,682
Aaron Austin Scholarship	335		-	-	335
J.D. Fry Scholarship	300		-	-	300
High School Band	622		7,506	4,493	3,635
Caprock Pipe Supply Scholarship	8,802		-	8,000	802
PNM Grants	6		-	-	6
Urlacher Royalties	3,118		-	-	3,118
Total Activity Funds	\$ 274,855	\$ -	\$ 353,226	\$ 332,199	\$ 295,882
 Total Due to Other School Organizations	 \$ 274,855	 \$ -	 \$ 353,226	 \$ 332,199	 \$ 295,882

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, 2011**

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2011	Name and Location of Safekeeper
Western Commerce Bank	FHLMC #390234 Due 4/01/30	\$ 40,139	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC #420041 Due 09/18/18	24,251	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC #420175B Due 03/01/19	24,486	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8076 Due 11/20/22	36,113	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80362 Due 01/20/30	58,111	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80364 Due 01/20/30	25,219	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8302 Due 10/20/23	23,735	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80470 Due 11/20/30	20,994	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80170 Due 2/20/28	59,975	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80478 Due 12/20/30	47,338	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #859285 Due 2/20/27	49,429	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8146 Due 02/20/23	79,852	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8204 Due 03/20/17	67,624	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA #21564 Due 11/01/25	14,866	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 62667 Due 02/01/18	11,987	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA #64731 Due 12/1/27	28,764	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 254914 Due 09/01/13	62,476	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 254989 Due 11/01/13	96,186	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, 2011**

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2011	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 705683 Due 10/01/33	154,135	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 879518 Due 03/01/26	784,881	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA # 008308 Due 01/20/18	115,679	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 654159 Due 10/1/32	492,762	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC # A84288 Due 11/1/39	<u>1,158,211</u>	Federal Home Loan Bank Dallas, TX
		<u>3,477,213</u>	
Lea County State Bank	Univ NM Gallup 5% Due 06/01/15	<u>500,000</u>	Lea County State Bank
Wells Fargo Bank	FG # G04535 6/1/38	119,404	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 256349 8/1/36	117,944	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # 867436 5/1/36	121,623	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA #889579 5/1/38	42,559	Wells Fargo Bank Northwest, NA Salt Lake City, UT
Wells Fargo Bank	FNMA # AD3841 4/1/40	<u>113,901</u>	Wells Fargo Bank Northwest, NA Salt Lake City, UT
		<u>515,431</u>	
		<u>\$ 4,492,644</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, 2011**

Deposit or Investment Account Type	Western Commerce Bank	Lea County State Bank	Wells Fargo Bank	Total
Checking	\$ 3,449,819	\$ 356,445	\$ 1,239,602	\$ 5,045,866
Checking	512,928	-	3,612,838	4,125,766
Checking	223,972	-	2,723,496	2,947,468
Checking	394,937	-	-	394,937
CD	19,126	-	-	19,126
CD	82,542	-	-	82,542
CD	8,822	-	-	8,822
CD	5,556	-	-	5,556
Total on deposit	4,697,702	356,445	7,575,936	12,630,083
Reconciling items	(664,292)	(16,181)	(38,461)	(718,934)
Reconciled balance at June 30, 2011	<u>\$ 4,033,410</u>	<u>\$ 340,264</u>	<u>\$ 7,537,475</u>	<u>\$ 11,911,149</u>
Reconciliation to financial statements:				
Cash and cash equivalents:				
				\$ 11,615,267
				295,882
				<u>\$ 11,911,149</u>

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



**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Cash Reconciliation**  
**June 30, 2011**

	<u>Operational Account</u>	<u>Payroll Clearing</u>	<u>ERA Clearing/ NMPSIA</u>	<u>Transportation Account</u>
Cash as reclassified, June 30, 2010	\$ 2,073,494	\$ 21,332	\$ 1,079,179	\$ 994
Add:				
2010-11 revenues	23,735,322	-	-	965,588
Prior year void warrants	-	-	-	-
Adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	25,808,816	21,332	1,079,179	966,582
Less:				
2010-11 expenditures	(23,388,096)	-	-	(966,085)
Refunds	-	-	-	-
Prior year outstanding loans	1,625,000	-	-	-
Change in clearing accounts	-	4,991	160,423	-
Investments*	4,222	-	-	-
Cash transfers	-	-	-	-
Miscellaneous	-	-	-	-
Current year loans (to) from other funds	(1,150,000)	-	-	-
Audit adjustments	66,119	-	-	-
Cash and investments, June 30, 2011	<u>\$ 2,966,061</u>	<u>\$ 26,323</u>	<u>\$ 1,239,602</u>	<u>\$ 497</u>

\* Investments added to report during the current year to be consistent with PED reporting.

<b>Instructional Materials Account</b>	<b>Food Services Account</b>	<b>Athletics Account</b>	<b>Federal Flowthrough Account</b>	<b>Federal Projects Account</b>	<b>Activities</b>
\$ 157,343	\$ 254,483	\$ 166,860	\$ 440,206	\$ 10,080	\$ 274,855
125,245	1,334,075	119,130	2,001,016	1,543,172	353,226
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
282,588	1,588,558	285,990	2,441,222	1,553,252	628,081
(280,364)	(1,204,168)	(125,584)	(2,209,342)	(1,126,472)	(332,199)
-	-	-	-	-	-
-	-	-	(1,625,000)	35,085	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(24,657)	-	-
-	-	-	-	-	-
-	-	-	1,150,000	-	-
-	-	(269)	457,450	(457,921)	-
\$ 2,224	\$ 384,390	\$ 160,137	\$ 189,673	\$ 3,944	\$ 295,882

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

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOL DISTRICT**  
**Cash Reconciliation**  
**June 30, 2011**

	<u>State Flowthrough</u>	<u>State Direct</u>	<u>Local or State</u>	<u>Spec. Cap. Outlay-State</u>
Cash as reclassified, June 30, 2010	\$ 300,783	\$ 53,492	\$ -	\$ -
Add:				
2010-11 revenues	149,291	135,837	171,399	1,140,914
Prior year void warrants	-	-	-	-
Adjustment	-	-	-	-
Loans from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash available	450,074	189,329	171,399	1,140,914
Less:				
2010-11 expenditures	(83,803)	(142,487)	(165,959)	(1,065,914)
Refunds	-	-	-	-
Prior year outstanding loans	-	(35,085)	-	-
Change in clearing accounts	-	-	-	-
Investments*	-	-	-	-
Cash transfers	24,657	-	-	-
Miscellaneous	-	-	-	-
Current year loans (to) from other funds	-	-	-	-
Audit adjustments	(94,526)	35,164	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and investments, June 30, 2011	<u>\$ 296,402</u>	<u>\$ 46,921</u>	<u>\$ 5,440</u>	<u>\$ 75,000</u>

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

<b>Cap.Improv. HB-33</b>	<b>Cap. Improve - SB-9</b>	<b>Debt Service</b>	<b>Educational Technology Debt Service</b>	<b>Bond Building</b>	<b>Total</b>
\$ 1,874,458	\$ 2,047,846	\$ 2,792,386	\$ 59,696	\$ -	\$ 11,607,487
1,466,006	1,458,901	2,288,398	16	-	36,987,536
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,340,464	3,506,747	5,080,784	59,712	-	48,595,023
(1,382,150)	(1,963,234)	(2,416,999)	-	-	(36,852,856)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	165,414
558,013	521,499	-	-	-	1,083,734
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	6,017
<u>\$ 2,516,327</u>	<u>\$ 2,065,012</u>	<u>\$ 2,663,785</u>	<u>\$ 59,712</u>	<u>\$ -</u>	<u>\$ 12,997,332</u>
			Agency cash		<u>(295,882)</u>
			Reconciled cash and investments		<u>\$ 12,701,450</u>
			Cash		\$ 11,615,267
			Investments		<u>1,086,183</u>
					<u>\$ 12,701,450</u>

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



## **COMPLIANCE SECTION**



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

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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 budgetary comparison for the general fund, and the combining and individual funds and related budgetary comparison presented as supplemental information of the Lovington Municipal School District (the District) as of and for the year ended June 30, 2011 which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lovington Municipal School 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* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5 NMSA 1978, which is described in the accompanying schedule of findings and questioned costs as items 2007-04, 2009-01, and 2011-01.

Lovington Municipal School 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 it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the New Mexico Public Education Department, the State Auditor, the New Mexico Legislature, and applicable federal grantors, 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 4, 2011





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

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An Independent Member Of BDO Seidman Alliance

Hobbs, New Mexico  
Midland, Texas  
Odessa, Texas

**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, 2011. 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, 2011. 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 2007-06, 2008-09, and 2011-02.

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, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 4, 2011

**STATE OF NEW MEXICO**  
**LOVINGTON MUNICIPAL SCHOOLS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State ID Number</u>	<u>Total Federal Awards Expended</u>
<u>U.S. Department of Agriculture</u>			
Pass-Through State Department of Education			
USDA National School Lunch Program	10.555	21000 \$	688,183
USDA National School Breakfast Program	10.553	21000	414,102
Total Child Nutrition Cluster			<u>1,102,285</u>
Pass-Through State Department of Human Services			
USDA Commodities Program	10.550	21000	53,381
Total Commodities Program			<u>53,381</u>
Total U.S. Department of Agriculture			1,155,666
<u>U.S. Department of Education</u>			
Pass-Through State Department of Education			
Special Education Cluster:			
IDEA, Part B, Entitlement	84.027	24106	690,836 (1)
IDEA, Preschool	84.173	24109	39,253 (1)
IDEA-B "Risk Pool"	84.173	24120	6,543 (1)
IDEA-B Entitlement-Federal Stimulus	84.391	24206	196,225 (1)
IDEA-B Preschool-Federal Stimulus	84.392	24209	8,760 (1)
Total Special Education Cluster			<u>941,617</u>
Title I Cluster			
ESEA Title I Basic	84.010	24101	596,218 (1)
Title 1 IASA - Federal Stimulus	84.389	24201	361,198 (1)
Total Title I Cluster			<u>957,416</u>

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, 2011

<u>Federal Agency/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State ID Number</u>	<u>Total Federal Awards Expended</u>
<u>U.S. Department of Education (continued)</u>			
Pass-Through State Department of Education			
Other:			
EDEA Title I Migrant	84.011	24103	31,516
Title III - English Language Acquisition	84.365	24153	37,852
Title II A	84.367	24154	144,623
Title IV-A	84.186	24157	8,855
Rural/Low Income	84.358	24160	62,806
Carl D. Perkins Secondary-Current	84.048	24174	15,515
Education of Homeless-Federal Stimulus	84.389	24213	9,143
State Equalization Guarantee-Federal Stimulus	84.394	25250	250,159 (1)
Education Jobs-Federal Stimulus	84.410	25255	672,170 (1)
State Energy Programs	81.041	31700	94,200
Total Other Grants			<u>1,326,839</u>
Total U.S. Department of Education			3,225,872
<b>Total Federal Assistance</b>			<b><u>\$ 4,381,538</u></b>

(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, 2011 was \$53,381 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.555.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**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. Three reportable conditions were disclosed during the audit of the financial statements of the primary government; there were none that were considered to be a material weakness or a significant deficiency.
3. No reportable conditions were identified during the audit of internal control over major federal award programs.
4. Three 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 no 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
  - State Equalization Guarantee-Federal Stimulus CFDA No. 84.394
  - Education Jobs-Federal Stimulus CFDA No. 84.410
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, 2011**

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**B. Findings – Financial Statement Audit**

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

Condition

Expenses paid from the School Based Health Center fund were \$101,400 while the final budget was \$0.

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

The District receives an invoice from Nor-Lea Hospital for expenses that the hospital bills to the State. The invoice is not paid until a check is received from the State. The New Mexico Public Education Department (NMPED) will not allow a Budget Adjustment Request (BAR) based on an invoice, but will accept a check as supporting documentation. The check for the expenses was not received until late June when a special board meeting would have had to be called to approve the BAR.

Effect

Although the District received revenues equal to the expenses, the District is not in compliance with 6.20.2.9 NMSA 1978.

Recommendation

We understand that this fund will not be passed through the District in upcoming years, but it is likely that similar circumstances may occur in future years. We recommend that District contact the NMPED for guidance or call a special board meeting to approve a budget adjustment.

Agency Response

The District did contact PED and did call a special board meeting to approve late budget adjustments. The above check came in very late in June and just missed this special board meeting.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**B. Findings – Financial Statement Audit (continued)**

2009-01-OTHER

DEFICIT FUND BALANCES-Repeated

Condition

Three funds incurred deficit fund balance during the current year as a result of writing off uncollectible accounts receivable.

Criteria

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

Cause

Requests for reimbursement for these funds were not submitted in a timely manner in the prior year and not paid by the NMPED.

Effect

The operational fund will absorb the costs of these federal expenditures.

Recommendation

Because the District operates on a cash basis, fund balances often are in a deficit position while awaiting payment from NMPED or other grantors. The District does need to follow up on accounts receivable balances to ensure that receivables will cover the fund deficit balances.

Agency Response

The Business Manager checks each fund to ensure that all Request for Reimbursements are paid.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**B. Findings – Financial Statement Audit (continued)**

2011-01-OTHER

BUDGETED EXPENDITURES OVER BUDGETED REVENUES

Condition

Budgeted expenditures in the Athletics Fund exceeded budgeted revenues plus the prior year available cash by \$304, in the SB-9 Capital Improvements fund by \$1,540,921 and in the Education of the Homeless-Federal Stimulus by \$9,911.

Criteria

Section 2.2.2.10. (P) (1), NMAC, requires that school district funds to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Cause

For the Athletics Fund and SB-9 Capital Improvements fund, restricted cash was budgeted to equal total expenditures in the original budget. The District is required to budget the cash on hand, but the restricted cash balance was the balance as of the date of the budget was approved which exceeded the June 30, 2010 actual cash balances.

The Education of the Homeless Federal Stimulus Fund budgeted a carryover amount into the restricted cash when the amount should have been budgeted as reimbursable revenue item.

Effect

The District is not in compliance with NMAC 6.20.2.13 D. However, actual expenditures did not exceed budgeted revenues or cash balances.

Recommendation

Cash must be budgeted during the budget process, but the District should budget expenditures based on revenues and a conservative projected cash balance at June 30.

Agency Response

The District will budget its cash balance on the projected balance at June 30.



**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**C. Federal Award Findings and Questioned Costs**

2007-06 -OTHER

DOCUMENTATION OF EMPLOYEE TIME AND EFFORT - COMPLIANCE REQUIREMENT-Repeated

Condition

During our audit of Special Education, IDEA-B; CFDA No. 84.027 and Title I, Part A of ESEA; CFDA No. 84.010 (Department of Education funds passed through the New Mexico Department of Public Education), we noted that the District did not document time and effort or have a semi-annual certification on file for two of the thirty-seven employees tested.

Questioned Costs

\$0

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

An effort was made to correct prior year findings in this area, but there were still a few employees that were overlooked.

Effect

The District is not in compliance with OMB-133 and risks falsely expending payroll for employees that are not working in federal programs.

Recommendation

We recommend that the District provide a listing from the general ledger payroll system of all the employees paid partially or fully out of federal funds. Program managers should verify records of semi-annual certifications and time and effort records against these listings.

Agency Response

Program Managers will verify semi-annual certifications and monitor time and effort records on a regular basis.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**C. Federal Award Findings and Questioned Costs (continued)**

2008-09 OTHER

CASH MANAGEMENT – COMPLIANCE REQUIREMENT-Repeated

Condition

During our audit, in accordance with OMB A-133, of the Department of Education’s Title I, Part A of ESEA; CFDA No. 84.010 passed through the New Mexico Department of Public Education, we noted that cash on hand was in excess of program expenses from prior years.

Questioned Costs

\$0

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 \$89,435 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

The District has not been able to contact anyone at NMPED to receive any guidance on this situation. The District has prepared BAR # 031-000-1112-0021-I to budget this increase in cash.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**C. Federal Award Findings and Questioned Costs (continued)**

2011-02-OTHER

ARRA VENDOR REPORTING – COMPLIANCE REQUIREMENT

Condition

During our audit of the State Stabilization Federal Stimulus Fund CFDA #84.394 received from the Department of Education, we noted that one vendor that was paid over \$25,000 was not reported as such in the Certiclear reporting system as required by the New Mexico Public Education Department.

Questioned Costs

\$0

Criteria

American Reinvestment and Recovery Act of 2009 (ARRA) section 1512 requires that all vendors paid over a cumulative total of \$25,000 with federal stimulus funds be reported. The State of New Mexico has delegated this task to its sub-recipients through the online Certiclear software system.

Cause

The Business Manager was aware of the vendor requirement, but in order to expend the funds, a journal entry was made from the Utilities expense in the Operational fund to the State Stabilization Fund. The expense had initially been paid from Operational funds.

Effect

The District is not in compliance with ARRA 1512 reporting requirements.

Recommendation

We recommend that the District report vendors as required by Section 1512 of ARRA and contact PED or program administrators on the federal level to determine if further action is necessary to accurately report the vendor that was paid over \$25,000.

Agency Response

The District will contact program administrators on the federal level to make sure ARRA vendors are reported accurately.

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Schedule of Findings and Questioned Costs  
June 30, 2011**

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**D. Findings – Prior Year Audit**

2006-07	Late Report	Resolved and Not Repeated
2006-11	Failure to Submit the Data Collection Form in a Timely Manner - Compliance Requirement	Resolved and Not Repeated
2007-03	Record Keeping	Resolved and Not 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
2008-01	Segregation of Duties-Payroll	Resolved and Not Repeated
2008-02	Employment Eligibility Documentation	Resolved and Not Repeated
2008-07	Substitute Pay Rate	Resolved and Not Repeated
2008-09	Cash Management-Compliance Requirement	Repeated
2008-10	Approval of Applications-Compliance	Resolved and Not Repeated
2008-11	PED Cash Report	Resolved and Not Repeated
2009-01	Expenditures Beyond Revenues/Deficit Balance	Revised and Repeated

**STATE OF NEW MEXICO  
LOVINGTON MUNICIPAL SCHOOLS**

**Exit Conference  
June 30, 2010**

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The contents of this report were discussed at an exit conference held November 1, 2011. Mary Hinds, CPA Partner; and Shellie Davidson, CPA On-Site Manager, represented Johnson, Miller & Co, CPA LaRhonda Kidd, Board Member; Enrique Contreras, Jr., 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, 2011 by Johnson, Miller & Co., Certified Public Accountants, a Professional Corporation.