

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Financial Statements
With Independent Auditors' Report Thereon
June 30, 2012**



JOHNSON, MILLER & CO.

*Certified Public Accountants
A Professional Corporation*

An Independent Member of BDO Seidman Alliance

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Financial Statements
With Independent Auditors' Report Thereon
June 30, 2012**

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Table of Contents
June 30, 2012**

INTRODUCTORY SECTION

Table of Contents	iii
Official Roster	vi

FINANCIAL SECTION

Independent Auditors' Report	2
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	4
Statement of Activities	5
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet – Governmental Funds.....	7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10
Reconciliation of Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Major Funds:	
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual: General Fund.....	13
Statement of Fiduciary Assets and Liabilities.....	17
Notes to the Financial Statements	18
Combining Balance Sheet – General Fund	38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	39
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
Operational.....	40
Transportation	44
Instructional Materials	45
Debt Service Fund.....	46
Capital Improvement HB-33 Capital Project Fund.....	47
Capital Improvement SB-9 Capital Project Fund.....	48
Non-Major Special Revenue, Capital Project and Debt Service Funds.....	49
Combining Balance Sheet – Non-Major Governmental Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds.....	64

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Table of Contents
June 30, 2012**

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual:	
Food Services Special Revenue Fund.....	74
Athletics Special Revenue Fund	75
Title I- IASA Special Revenue Fund	76
Title I - Migrant Children Education Special Revenue Fund	77
IDEA - B Entitlement Special Revenue Fund	78
IDEA - B Preschool Special Revenue Fund	79
IDEA - B Risk Pool Special Revenue Fund.....	80
Title I - 1003 G Special Revenue Fund.....	81
Enhancing Education Thru Technology (E2T2-F) Special Revenue Fund	82
English Language Acquisition Special Revenue Fund	83
Teacher/Principal Training and Recruiting Special Revenue Fund.....	84
Safe and Drug Free Schools Special Revenue Fund.....	85
Rural and Low Income Schools Special Revenue Fund	86
Title III Immigrant Funding Special Revenue Fund.....	87
Reading First Special Revenue Fund	88
Carl D Perkins - Secondary Special Revenue Fund	89
Carl D Perkins - Redistribution Special Revenue Fund.....	90
Carl D Perkins - High Schools Special Revenue Fund.....	91
Title I - IASA Federal Stimulus Special Revenue Fund	92
Special Education Entitlement Federal Stimulus Special Revenue Fund	93
Title VI - Comprehensive Special Revenue Fund	94
Education of Homeless Federal Stimulus Special Revenue Fund	95
Medicaid XIX Special Revenue Fund	96
State Equalization Guarantee Federal Stimulus Special Revenue Fund.....	97
Education Jobs Federal Stimulus Special Revenue Fund	98
Local Combined Grant Special Revenue Fund.....	99
Dual Credit Instructional Materials Special Revenue Fund.....	100
GO Student Library Funds Special Revenue Fund.....	101
2010 G.O. Bond Student Library Special Revenue Fund	102
Technology for Education Special Revenue Fund.....	103
Incentives for School Improvement Special Revenue Fund	104
Truancy CYFD Special Revenue Fund.....	105
Pre K Initiative Special Revenue Fund	106
Beginning Teacher Mentoring Program Special Revenue Fund.....	107
Adequacy Tech Equity Grant Special Revenue Fund.....	108
Libraries - SB 301 GO Bonds - Laws of 2006 Special Revenue Fund	109
School Library Material Fund Special Revenue Fund.....	110

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Table of Contents
June 30, 2012**

Early Intervention CYFD Special Revenue Fund.....	111
Gear Up CHE Special Revenue Fund.....	112
GRADS Child Care Special Revenue Fund.....	113
GRADS Instruction Special Revenue Fund.....	114
Value Options DOH Special Revenue Fund.....	115
Special Capital Outlay State Capital Project Fund	116
Technology Bonds Debt Service Fund	117

Additional Supplemental Information:

Fiduciary Funds	118
Schedule of Changes in Assets and Liabilities – Activity Trust Fund.....	119
Schedule of Collateral Pledged by Depository	122
Schedule of Cash and Temporary Investments by Depository	124
Cash Reconciliation	125

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	131
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	133
Schedule of Expenditures of Federal Awards.....	135
Schedule of Findings and Questioned Costs	137
Exit Conference	147

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Official Roster
June 30, 2012**

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



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

An Independent Member Of BDO Seidman Alliance

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, 2012, 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, 2012 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, 2012, 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 funds of the District, as of June 30, 2012, 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 5, 2012 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Johnson, Miller & Co.

Hobbs, New Mexico
November 5, 2012

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Government-Wide
 Statement of Net Assets
 June 30, 2012

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 3)	\$ 11,742,294
Investments (Note 3)	1,086,073
Receivables (Note 4)	1,790,795
Inventory	41,653
Bond issuance costs (net of accumulated amortization of \$68,088)	136,091
Capital assets, net (Note 6)	50,934,350
 Total assets	 \$ 65,731,256
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 150,649
Accrued payroll and related expenses	1,247,674
Accrued interest	182,208
Deferred revenue	174,776
Compensated absences - current portion (Note 7)	171,461
Noncurrent liabilities:	
Bond premium	68,670
Compensated absences - non current portion (Note 7)	169,190
Bonds payable: (Note 7)	
Due within one year	1,875,000
Due in more than one year	18,640,000
Total liabilities	22,679,628
Invested in capital assets, net of related debt	30,419,350
Restricted for:	
Debt service	3,134,582
Capital projects	5,003,829
Unrestricted	4,493,867
Total net assets	43,051,628
 Total liabilities and net assets	 \$ 65,731,256

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, 2012

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
Primary Government:			
Governmental activities:			
Instruction	\$ 17,330,436	\$ 91,373	\$ 2,441,416
Support services:			
Students	3,518,071	-	26,167
Instruction	393,997	-	120,994
General administration	659,557	-	220,982
School administration	2,181,680	-	-
Central services	2,056,481	-	-
Operation & maintenance of plant	2,674,698	-	-
Student transportation	1,099,938	-	965,298
Operation of non-instruction services:			
Food services	1,384,160	270,791	1,158,338
Community services	68,831	-	-
Other support services	39,104	-	-
Inventory exempt-unallocated	1,542,949	-	-
Interest on long-term debt	722,437	-	-
Total primary government	\$ 33,672,339	\$ 362,164	\$ 4,933,195

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	
\$	-	\$	(14,797,647)
	-		(3,491,904)
	-		(273,003)
	-		(438,575)
	-		(2,181,680)
	-		(2,056,481)
	-		(2,674,698)
	-		(134,640)
	-		44,969
	-		(68,831)
	-		(39,104)
	-		(1,542,949)
	-		(722,437)
\$	-		(28,376,980)
			24,258,073
			109,545
			83,425
			542,930
			790,390
			341,920
			1,926,819
			2,735,365
			9,029
			(30,909)
			<u>30,766,587</u>
			2,389,607
			40,662,021
\$			<u><u>43,051,628</u></u>

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Debt Service	Capital Improvement HB- 33
ASSETS			
Cash and cash equivalents	\$ 4,284,321	\$ 2,791,534	\$ 1,796,591
Investments	4,221	-	559,222
Accounts receivable:			
Taxes	55,300	305,059	224,779
Due from other governments	-	-	-
Due from other funds	1,019,307	-	124,737
Inventory	-	-	-
Advances to other funds	338,920	-	-
<i>Total assets</i>	<u>\$ 5,702,069</u>	<u>\$ 3,096,593</u>	<u>\$ 2,705,329</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts payable	\$ -	\$ -	\$ 117,394
Accrued liabilities	1,247,670	-	-
Accrued interest	-	-	-
Due to other funds	185	-	-
Deferred revenue	3,540	21,725	15,454
Advances from other funds	-	-	-
<i>Total liabilities</i>	<u>1,251,395</u>	<u>21,725</u>	<u>132,848</u>
<i>Fund balances:</i>			
Nonspendable	1,358,227	-	-
Restricted	1,216	3,074,868	2,572,481
Committed	-	-	-
Assigned	-	-	-
Unassigned	3,091,231	-	-
<i>Total fund balances</i>	<u>4,450,674</u>	<u>3,074,868</u>	<u>2,572,481</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,702,069</u>	<u>\$ 3,096,593</u>	<u>\$ 2,705,329</u>

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

Capital Improvement SB-9	Other Governmental Funds	Total Governmental Funds
\$ 1,593,253	\$ 1,276,595	\$ 11,742,294
522,629	-	1,086,072
331,585	-	916,723
-	874,071	874,071
-	13,184	1,157,228
-	41,653	41,653
-	-	338,920
<u>\$ 2,447,467</u>	<u>\$ 2,205,503</u>	<u>\$ 16,156,961</u>

\$ 29,515	\$ 3,739	\$ 150,648
-	-	1,247,670
-	-	-
-	1,157,043	1,157,228
94,604	224,550	359,873
-	338,920	338,920
<u>124,119</u>	<u>1,724,252</u>	<u>3,254,339</u>

-	41,653	1,399,880
2,323,348	703,891	8,675,804
-	-	-
-	-	-
-	(264,293)	2,826,938
<u>2,323,348</u>	<u>481,251</u>	<u>12,902,622</u>
<u>\$ 2,447,467</u>	<u>\$ 2,205,503</u>	<u>\$ 16,156,961</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Reconciliation of Governmental Funds Balance Sheet
 to the Statement of Net Assets
 June 30, 2012

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

Fund balances - total governmental funds	\$	12,902,622
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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.		50,934,350
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Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:

Property taxes		185,094
Bond issuance costs		136,091

Other liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bond premium liability		(68,670)
Accrued interest expense		(182,208)

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.		(20,855,651)
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Net assets of governmental activities in the statement of net assets	\$	<u>43,051,628</u>
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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, 2012

	General Fund	Debt Service	Capital Improvement HB- 33	Capital Improvements SB-9
REVENUES				
Property taxes	\$ 82,096	\$ 543,719	\$ 392,152	\$ 399,494
Oil and gas taxes	341,920	1,926,821	1,367,685	1,367,681
Investment income	5,890	-	1,287	1,203
Food services	-	-	-	-
District activities	7,632	-	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	92,092	-	-	162,372
Revenue from state sources	25,365,954	-	1,089	27,876
Revenue from federal sources	34,304	-	-	-
Uncollectible revenue	-	-	-	-
Total revenues	<u>25,929,888</u>	<u>2,470,540</u>	<u>1,762,213</u>	<u>1,958,626</u>
EXPENDITURES				
Current:				
Instruction	15,436,875	-	-	-
Support services				
Students	2,993,668	-	-	-
Instruction	354,535	-	-	-
General administration	545,112	5,250	3,778	3,851
School administration	1,959,187	-	-	-
Central services	726,731	-	-	-
Operation and maintenance of plant	2,656,439	-	-	-
Student transportation	965,647	-	-	-
Operation of non instructional services				
Food services operations	-	-	-	-
Community services	13,215	-	-	-
Other support services	36,504	-	1,344	1,256
Capital outlay	129,104	-	1,933,910	1,684,966
Debt service	-	2,423,824	-	-
Total expenditures	<u>25,817,017</u>	<u>2,429,074</u>	<u>1,939,032</u>	<u>1,690,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,871</u>	<u>41,466</u>	<u>(176,819)</u>	<u>268,553</u>
Other financing sources (uses)				
Bond premium	-	5,452	-	-
Sale of real property	23,696	-	-	-
Increase (decrease) in inventory	-	-	-	-
Transfers in (out)	8,357	-	-	75,000
Net changes in fund balances	144,924	46,918	(176,819)	343,553
Beginning fund balances,	4,305,750	3,027,950	2,749,300	1,979,795
Fund balances--end of the year	<u>\$ 4,450,674</u>	<u>\$ 3,074,868</u>	<u>\$ 2,572,481</u>	<u>\$ 2,323,348</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 2	\$ 1,417,463
-	5,004,107
649	9,029
270,791	270,791
83,117	90,749
-	-
108,355	362,819
391,868	25,786,787
3,042,961	3,077,265
(30,909)	(30,909)
<u>3,866,834</u>	<u>35,988,101</u>
1,442,727	16,879,602
522,419	3,516,087
26,067	380,602
37,897	595,888
202,342	2,161,529
7,445	734,176
-	2,656,439
-	965,647
1,242,498	1,242,498
53,217	66,432
189,767	228,871
-	3,747,980
-	2,423,824
<u>3,724,379</u>	<u>35,599,575</u>
<u>142,455</u>	<u>388,526</u>
-	5,452
-	23,696
18,659	18,659
(69,246)	14,111
<u>91,868</u>	<u>450,444</u>
<u>389,383</u>	<u>12,452,178</u>
<u>\$ 481,251</u>	<u>\$ 12,902,622</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, 2012

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

Net change in fund balances - total governmental funds	\$ 450,444
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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	2,127,045
Depreciation expense	(1,926,372)
Loss on disposal	(22,150)

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	(718)
State receivable	79,284

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	(13,850)
Increase in bond premium liability	(16,188)
Increase in capitalized bond issue costs	(43,929)
Decrease in accrued interest payable	56,041
Principal payments on bonds	1,700,000
	1,700,000

Change in net assets of governmental activities	\$ <u>2,389,607</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 299,862	\$ 299,862	\$ 430,364	\$ 130,502
Investment income	3,000	3,000	5,890	2,890
District activities	5,000	5,000	7,632	2,632
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	92,092	92,092
Revenue from state sources	25,130,656	25,539,347	25,365,954	(173,393)
Revenue from federal sources	-	-	34,304	34,304
Sale of real property	-	-	23,696	23,696
<i>Total revenues</i>	<i>25,438,518</i>	<i>25,847,209</i>	<i>25,959,932</i>	<i>112,723</i>
EXPENDITURES				
Instruction:				
Personnel services - compensation	11,478,798	11,291,148	10,970,780	320,368
Personnel services - employee benefits	3,553,769	3,620,469	3,506,119	114,350
Other purchased services	846,240	362,390	336,859	25,531
Supplies	564,322	766,784	589,425	177,359
Property	150,225	72,925	32,772	40,153
Total instruction	16,593,354	16,113,716	15,435,955	677,761
Support services - student:				
Personnel services - compensation	1,308,651	1,451,340	1,430,428	20,912
Personnel services - employee benefits	432,214	419,096	413,112	5,984
Purchased professional & technical services	600,000	483,500	383,750	99,750
Purchased property services	208	799,097	670,482	128,615
Other purchased services	438,660	1,850	1,796	54
Supplies	91,705	116,555	94,101	22,454
Property	-	-	-	-
Total support services - student	2,871,438	3,271,438	2,993,669	277,769
Support services - instruction:				
Personnel services - compensation	180,376	199,987	199,649	338
Personnel services - employee benefits	105,324	108,816	108,417	399
Purchased professional & technical services	-	-	-	-
Purchased property services	-	3	3	-
Other purchased services	11,716	4,755	4,516	239
Supplies	25,365	61,220	41,949	19,271
Property	-	-	-	-
Total support services - instruction	322,781	374,781	354,534	20,247

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services - general administration:				
Personnel services - compensation	344,432	317,332	311,011	6,321
Personnel services - employee benefits	107,422	108,922	104,832	4,090
Purchased professional & technical services	72,923	89,188	81,184	8,004
Other purchased services	15,210	27,876	26,520	1,356
Supplies	6,378	21,928	21,566	362
Property	-	-	-	-
Total support services - general admin.	546,365	565,246	545,113	20,133
Support services - school administration:				
Personnel services - compensation	1,470,932	1,475,368	1,469,036	6,332
Personnel services - employee benefits	439,712	444,336	436,158	8,178
Purchased property services	-	-	-	-
Purchased professional & technical services	24,530	8,210	2,459	5,751
Other purchased services	56,000	50,760	43,608	7,152
Supplies	10,925	10,925	7,927	2,998
Property	-	-	-	-
Total support services - school admin.	2,002,099	1,989,599	1,959,188	30,411
Support services - central services:				
Personnel services - compensation	441,105	533,536	533,020	516
Personnel services - employee benefits	159,495	153,628	153,483	145
Purchased professional & technical services	64,273	9,752	8,201	1,551
Purchased property services	960	10	-	10
Other purchased services	10,798	11,613	11,053	560
Supplies	18,896	31,461	20,975	10,486
Property	-	-	-	-
Total support services - central serv.	695,527	740,000	726,732	13,268
Support services - operation and maintenance of plant:				
Personnel services - compensation	959,202	955,471	954,831	640
Personnel services - employee benefits	369,911	387,170	386,442	728
Purchased property services	785,650	828,981	736,833	92,148

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Other purchased services	530,214	484,500	481,856	2,644
Supplies	53,000	71,805	68,713	3,092
Purchased professional & technical services	11,966	27,916	27,764	152
Total support services - operation and maintenance of plant	2,709,943	2,755,843	2,656,439	99,404
Operation of non instructional services - community services:				
Personnel services - compensation	11,460	12,000	12,000	-
Personnel services - employee benefits	158	936	935	1
Travel and training	-	500	279	-
Total operation of non instructional services - community services	11,618	13,436	13,214	1
Support services - student transportation:				
Personnel services - compensation	32,677	33,225	33,225	-
Personnel services - employee benefits	6,361	8,093	8,027	66
Purchased professional & technical services	305	325	325	-
Purchased property services	124,353	124,353	124,353	-
Other purchased services	796,513	799,800	799,717	83
Supplies	200	-	-	-
Total support services - student transportation	960,409	965,796	965,647	149
Support services - other support				
Debt service and miscellaneous	69,416	69,416	36,504	32,912
Total support services - other support	69,416	69,416	36,504	32,912
Capital outlay	86,380	384,394	129,104	255,290
<i>Total expenditures</i>	26,869,330	27,243,665	25,816,099	1,427,345
<i>Excess (deficiency) of revenues over expenditures</i>	(1,430,812)	(1,396,456)	143,833	1,540,068

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Other financing sources (uses):</i>				
Designated cash balance	-	249	-	(249)
Transfers in (out)	-	-	8,357	8,357
<i>Total other financing sources (uses)</i>	-	249	8,357	8,108
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(1,430,812)	(1,396,207)	152,190	1,548,176
<i>Prior year cash balance</i>	3,941,530	3,941,530	3,942,027	497
<i>End of year cash balance</i>	<u>\$ 2,510,718</u>	<u>\$ 2,545,323</u>	<u>\$ 4,094,217</u>	<u>\$ 1,548,673</u>

RECONCILIATION TO GAAP

Adjustments:

Deferred revenue	(811)
Accrued liabilities	(918)
Receivables	(5,537)
Net change in fund balance (GAAP basis)	<u>\$ 144,924</u>

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

	<u>Agency Funds</u>
ASSETS	
<i>Current assets</i>	
Cash	\$ 299,183
	<u> </u>
LIABILITIES	
<i>Current liabilities</i>	
Deposits held in trust for others	\$ 299,183
	<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, 2012

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, 2012**

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, 2012

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, 2012**

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 of property located in the District as of the preceding January 1st. The assessed valuation for the 2012 fiscal year was \$113,626,636. Mill levy rates are set by the State of New Mexico each year for the General Fund, HB-33 Capital Improvements Fund, SB-9 Capital Improvements Fund, Debt Service Fund, and the Education Technology Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

3. Inventories

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

4. Capital Assets

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

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, 2012 was \$340,651.

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, 2012**

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 or 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 net assets include the following:

1. Net assets invested in capital assets, net 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, 2012**

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 \$24,258,073 in state equalization guarantee distributions during the year ended June 30, 2012.

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 \$965,298 in transportation distributions during the year ended June 30, 2012.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

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 \$6,420,849 in tax revenues during the year ended June 30, 2012. 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, 2012**

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, 2012 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, 2012.

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, 2012, 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, 2012**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

As June 30, 2012, \$12,423,744 of the District's bank balances were exposed to custodial credit risk as follows:

	<u>District</u>
Insured (FDIC)	\$7,219,478
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District's name	4,917,901
Uninsured and uncollateralized	286,365
Balance exposed to custodial credit risk	<u>\$12,423,744</u>
Total bank balances	<u>\$12,423,744</u>
 Carrying Amount	 <u>\$12,041,477</u>

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, 2012, the New MexiGROW Local Government Investment Pool was rated at AAAM and was considered a 36-day WAM. The District had \$1,234,568 invested in the New MexiGROW Local Government Investment Pool at June 30, 2012.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

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	\$4,467,179	\$383,075	\$7,573,490	\$12,423,744
FDIC coverage	366,646	250,000	6,602,832	7,219,478
Total uninsured public funds	<u>\$4,100,533</u>	<u>\$133,075</u>	<u>\$970,658</u>	<u>\$5,204,266</u>
Collateral requirement (50% of uninsured public funds)	\$2,050,267	\$66,538	\$485,329	\$2,602,133
Pledged securities	3,906,533	500,000	511,368	4,917,901
Over (under) collateralization	<u>\$1,856,266</u>	<u>\$433,462</u>	<u>\$26,039</u>	<u>\$2,315,768</u>

The collateral pledged is listed on Page 122-123 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:

	District
Carrying amount - Deposits	\$12,041,477
Less amounts included in agency funds	299,183
Total	<u>\$11,742,294</u>
Included in the following balance sheet captions:	
Cash and cash equivalents	<u>\$11,742,294</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, 2012 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, 2012**

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, 2012 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	\$ 8,432	\$ 74,258	\$52,361	\$ -	\$ 135,051
Oil & gas taxes	46,868	374,946	252,698	-	674,512
Due from other govts	-		-	981,232	981,232
	<u>\$ 55,300</u>	<u>\$ 449,204</u>	<u>\$305,059</u>	<u>\$981,232</u>	<u>\$1,790,795</u>

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

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, 2012 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Reading First	\$ 327,924
General Fund	Migrant Children Education	49,369
General Fund	IDEA-B "Risk Pool"	1,503
General Fund	IDEA-B Preschool	10,149
General Fund	Title I 1003G	7,282
General Fund	English Language Acquisition	89,984
General Fund	Title I-IASA	467,635
General Fund	Teacher/Principal Training	23,167
General Fund	Dual Credit IM	8,303
General Fund	IDEA-B	134,606
General Fund	Pre K Initiative	52,137
General Fund	Value Options DOH	32,300
General Fund	Medicaid XIX	27,327
General Fund	GO Student Library Funds	56,976
General Fund	Truancy - CYFD	6,529
General Fund	GRADS Instruction	10,997
General Fund	Gear Up CHE	48,716
English Language Acquisition	General Fund	185
Carl Perkins High Schools That Work	Carl D Perkins Secondary	12,999
Local Combined Grants	General Fund	3,323
Capital Improvement HB-33	Special Capital Outlay	124,737
		<u>\$ 1,496,148</u>

*Considered long-term advances

The following transfers were made between funds during the year ended June 30, 2012

	Transfers Out	Transfers In
General Fund		8,357
Capital Improvement SB-9		75,000
Non Major Special Revenue Funds	14,111	5,754
Non Major Capital Outlay Funds	75,000	

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance 06/30/11	Increases	Decreases/ Adjustments	Ending Balance 06/30/12
Governmental Activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 73,609	\$ -	\$ -	\$ 73,609
Capital assets, being depreciated:				
Buildings and improvements	103,932,390	1,670,651	-	105,603,041
Equipment	4,009,916	161,368	-	4,171,285
Vehicles	1,600,896	244,318	69,788	1,775,426
Intangibles	297,648	50,708	58,603	289,753
Total at historical cost	<u>109,914,459</u>	<u>2,127,045</u>	<u>128,391</u>	<u>111,913,113</u>
Less Accumulated Depreciation:				
Buildings and improvements	(55,171,577)	(1,323,692)	-	(56,495,269)
Equipment	(2,912,542)	(374,965)	-	(3,287,507)
Vehicles	(1,001,381)	(134,291)	69,787	(1,065,885)
Intangibles	(73,131)	(93,424)	36,453	(130,102)
Total accumulated depreciation	<u>(59,158,631)</u>	<u>(1,926,372)</u>	<u>106,240</u>	<u>(60,978,763)</u>
Governmental activities capital assets, net	<u>\$ 50,755,828</u>	<u>\$ 200,673</u>	<u>\$ 22,151</u>	<u>\$ 50,934,350</u>

Depreciation expense for the year ended June 30, 2012 was charged to the following functions:

	District
Instruction	\$ 363,058
Support services:	
Students	5,310
Instruction	13,396
School administration	18,623
General administration	50,742
Central services	1,322,012
Operation and maintenance of plant	12,261
Student transportation	134,291
Food services	4,280
Community services	2,399
Total depreciation expense	<u>\$ 1,926,372</u>

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

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, 2012 are comprised of the following:

	Original Amount	Interest Rates	Balance 06/30/12
Series 2003 General Obligation Bond	\$ 4,700,000	2.4-4.0%	\$ 350,000
Series 2007 General Obligation Bond	8,500,000	4.0%	7,000,000
Series 2008 General Obligation Bond	8,000,000	3.0%	7,125,000
Series 2011 General Obligation Refund Bond	6,040,000	2.0%	6,040,000
Total General Obligation Bonds	\$ 27,240,000		\$ 20,515,000

The annual requirements to amortize the general obligation bonds as of June 30, 2012, including interest payments are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2013	\$ 1,875,000	\$ 607,025	\$ 2,482,025
2014	1,800,000	560,775	2,360,775
2015	1,960,000	508,050	2,468,050
2016	2,115,000	450,675	2,565,675
2017-2021	11,865,000	1,182,563	13,047,563
2022-2023	900,000	17,250	917,250
Total	\$ 20,515,000	\$ 3,326,338	\$ 23,841,338

Changes in long-term liabilities – During the year ended June 30, 2012, the following changes occurred in liabilities reported in the general obligation bonds and compensated absences.

	Balance 06/30/11	Additions	Retirements	Balance 06/30/12	Due Within One Year
2002 Series	\$ 3,800,000	\$ -	\$ (3,800,000)	\$ 0	\$ 0
2003 Series	3,250,000	-	(2,900,000)	350,000	350,000
2007 Series	7,600,000	-	(600,000)	7,000,000	600,000
2008 Series	7,475,000	-	(350,000)	7,125,000	400,000
2011 Series	0	6,040,000	0	6,040,000	525,000
Compensated Absences	326,801	185,311	(171,461)	340,651	171,461
Total Long-Term Liabilities	\$ 22,451,801	\$ 6,225,311	\$ (7,821,461)	\$20,855,651	\$ 2,046,461

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, 2012 was \$ 722,437.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

NOTE 7: LONG – TERM DEBT (continued)

On November 15, 2011, the District issued \$6,040,000 in General Obligation Bonds with an average interest rate of 2.0% to refund \$5,950,000 of outstanding 2002 and 2003 Series bonds with an interest rates of 2.4 to 6.1%. The net payment of \$5,950,000 (after payment of issuance costs) was used to pay the principal and accrued interest of the Series 2002 and 2003 bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$90,000. This difference, reported in the accompanying financial statements as a bond premium, is being charged to operations through August 15, 2015 using the effective interest method. The District completed the refunding to reduce its total debt service payments over the next three years by \$461,526.

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, 2012, there have been no claims that have exceeded insurance coverage.

NOTE 9: PENSION PLAN-EDUCATIONAL RETIREMENT BOARD

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

Funding Policy. Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

NOTE 9: PENSION PLAN-EDUCATIONAL RETIREMENT BOARD (continued)

contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The District has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the District contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the District will contribute 10.9% 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 contribution to ERB for the fiscal years ending June 30, 2012, 2011, and 2010, were: \$1,550,222, \$1,861,440, and \$1,850,215 respectively, which equal the amount of the required contributions for each fiscal year.

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

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
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, 2012, 2011, and 2010, were \$301,516, \$276,315, and \$216,847 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, 2012**

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
English Language Acquisition		71,343
Reading First		180,338
Medicaid XIX		2,113
GO Student Library Fund		30,909
Truancy CYFD		6,529
GRADS Instruction		40,824
Value Options DOH		<u>13,500</u>
Total	\$	<u>382,974</u>

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Notes to the Financial Statements
June 30, 2012**

NOTE 13: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)

B. Excess of expenditures over appropriations.

For the fiscal year ended June 30, 2012, expenditures exceed appropriations in the following funds:

NONE

C. Designated cash appropriations in excess of available balances:

Debt Service	\$	43,896
Athletics		26,520
SB-9 Capital Improvements Fund		906,483
Instructional Materials		34,605

NOTE 13: MANAGEMENT REVIEW

The date to which events occurring after June 30, 2012, the date of the most recent Statement of Net Assets have been evaluated for possible adjustment to the financial statements and disclosures is November 5, 2012 which is the date on which the financial statements were available for review.

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOLS DISTRICT
 Combining Balance Sheet
 General Fund
 June 30, 2012

	Operational	Transportation	Instructional Materials	Total General Fund
ASSETS				
Cash and cash equivalents	\$ 4,283,105	\$ 148	\$ 1,068	\$ 4,284,321
Investments	4,221	-	-	4,221
Receivables:				
Taxes	55,300	-	-	55,300
Due from other governments	-	-	-	-
Due from other funds	1,019,307	-	-	1,019,307
Advances to other funds	338,920	-	-	338,920
	<u>5,700,853</u>	<u>148</u>	<u>1,068</u>	<u>5,702,069</u>
Total assets	<u>\$ 5,700,853</u>	<u>\$ 148</u>	<u>\$ 1,068</u>	<u>\$ 5,702,069</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	1,247,670	-	-	1,247,670
Due to other funds	185	-	-	185
Deferred revenue	3,540	-	-	3,540
Total liabilities	<u>1,251,395</u>	<u>-</u>	<u>-</u>	<u>1,251,395</u>
<i>Fund balances:</i>				
Nonspendable	1,358,227	-	-	1,358,227
Restricted	-	148	1,068	1,216
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	3,091,231	-	-	3,091,231
<i>Total fund balances</i>	<u>4,449,458</u>	<u>148</u>	<u>1,068</u>	<u>4,450,674</u>
Total liabilities and fund balances	<u>\$ 5,700,853</u>	<u>\$ 148</u>	<u>\$ 1,068</u>	<u>\$ 5,702,069</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, 2012

	Operational	Transportation	Instructional Materials	Total General Fund
REVENUES				
Property taxes	\$ 82,096	\$ -	\$ -	\$ 82,096
Oil and gas taxes	341,920	-	-	341,920
District activities	7,632	-	-	7,632
Investment income	5,890	-	-	5,890
Insurance recoveries	-	-	-	-
Revenue from local sources	92,092	-	-	92,092
Revenue from state sources	24,258,073	965,298	142,583	25,365,954
Revenue from federal sources	34,304	-	-	34,304
Sale of real property	23,696	-	-	23,696
Total revenues	24,845,703	965,298	142,583	25,953,584
EXPENDITURES				
Current:				
Instruction	15,293,136	-	143,739	15,436,875
Support services:				
Students	2,993,668	-	-	2,993,668
Instruction	354,535	-	-	354,535
General administration	545,112	-	-	545,112
School administration	1,959,187	-	-	1,959,187
Central services	726,731	-	-	726,731
Operation and maintenance of plant	2,656,439	-	-	2,656,439
Student transportation	-	965,647	-	965,647
Operation of non instructional services:				
Food services operations	-	-	-	-
Community services	13,215	-	-	13,215
Other support services	36,504	-	-	36,504
Capital outlay	129,104	-	-	129,104
Total expenditures	24,707,631	965,647	143,739	25,817,017
Excess (deficiency) of revenues over expenditures	138,072	(349)	(1,156)	136,567
Other financing sources (uses)				
Transfers (in) out	8,357	-	-	8,357
Net changes in fund balances	146,429	(349)	(1,156)	144,924
Fund balances - beginning of year	4,303,029	497	2,224	4,305,750
Fund balances - end of year	\$ 4,449,458	\$ 148	\$ 1,068	\$ 4,450,674

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 299,862	\$ 299,862	\$ 430,364	\$ 130,502
Investment income	3,000	3,000	5,890	2,890
District activities	5,000	5,000	7,632	2,632
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	92,092	92,092
Revenue from state sources	24,057,248	24,351,834	24,258,073	(93,761)
Revenue from federal sources	-	-	34,304	34,304
Sale of real property	-	-	23,696	23,696
<i>Total revenues</i>	<u>24,365,110</u>	<u>24,659,696</u>	<u>24,852,051</u>	<u>192,355</u>
EXPENDITURES				
Instruction:				
Personnel services - compensation	11,478,798	11,291,148	10,970,780	320,368
Personnel services - employee benefits	3,553,769	3,620,469	3,506,119	114,350
Other purchased services	846,240	362,390	336,859	25,531
Supplies	414,494	542,594	445,686	96,908
Property	150,225	72,925	32,772	40,153
Total instruction	<u>16,443,526</u>	<u>15,889,526</u>	<u>15,292,216</u>	<u>597,310</u>
Support services - student:				
Personnel services - compensation	1,308,651	1,451,340	1,430,428	20,912
Personnel services - employee benefits	432,214	419,096	413,112	5,984
Purchase prof. & tech. services	600,000	483,500	383,750	99,750
Purchased property services	208	799,097	670,482	128,615
Other purchased services	438,660	1,850	1,796	54
Supplies	91,705	116,555	94,101	22,454
Property	-	-	-	-
Total support services - student	<u>2,871,438</u>	<u>3,271,438</u>	<u>2,993,669</u>	<u>277,769</u>
Support services - instruction:				
Personnel services - compensation	180,376	199,987	199,649	338
Personnel services - employee benefits	105,324	108,816	108,417	399
Purchase prof. & tech. services	-	-	-	-
Purchased property services	-	3	3	-
Other purchased services	11,716	4,755	4,516	239
Supplies	25,365	61,220	41,949	19,271
Property	-	-	-	-
Total support services - instruction	<u>322,781</u>	<u>374,781</u>	<u>354,534</u>	<u>20,247</u>

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - general administration:				
Personnel services - compensation	344,432	317,332	311,011	6,321
Personnel services - employee benefits	107,422	108,922	104,832	4,090
Purchased professional & technical services	72,923	89,188	81,184	8,004
Other purchased services	15,210	27,876	26,520	1,356
Supplies	6,378	21,928	21,566	362
Property	-	-	-	-
Total support services - general admin	546,365	565,246	545,113	20,133
Support services - school administration:				
Personnel services - compensation	1,470,932	1,475,368	1,469,036	6,332
Personnel services - employee benefits	439,712	444,336	436,158	8,178
Purchase prof. & tech. services	24,530	8,210	2,459	5,751
Purchased property services	-	-	-	-
Other purchased services	56,000	50,760	43,608	7,152
Supplies	10,925	10,925	7,927	2,998
Property	-	-	-	-
Total support services - school admin.	2,002,099	1,989,599	1,959,188	30,411
Support services - central services:				
Personnel services - compensation	441,105	533,536	533,020	516
Personnel services - employee benefits	159,495	153,628	153,483	145
Purchased professional & technical services	64,273	9,752	8,201	1,551
Purchased property services	960	10	-	10
Other purchased services	10,798	11,613	11,053	560
Supplies	18,896	31,461	20,975	10,486
Property	-	-	-	-
Total support services - central serv.	695,527	740,000	726,732	13,268

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - operation and maintenance of plant:				
Personnel services - compensation	959,202	955,471	954,831	640
Personnel services - employee benefits	369,911	387,170	386,442	728
Purchased professional & technical services	11,966	27,916	27,764	152
Purchased property services	785,650	828,981	736,833	92,148
Other purchased services	530,214	484,500	481,856	2,644
Supplies	53,000	71,805	68,713	3,092
Property	-	-	-	-
Total support services - operation and maintenance of plant	<u>2,709,943</u>	<u>2,755,843</u>	<u>2,656,439</u>	<u>99,404</u>
Support services - community services:				
Personnel services - compensation	11,460	12,000	12,000	-
Personnel services - employee benefits	158	936	935	1
Travel and training	-	500	279	221
maintenance of plant	<u>11,618</u>	<u>13,436</u>	<u>13,214</u>	<u>222</u>
Support services - other support:				
Debt service and miscellaneous	<u>69,416</u>	<u>69,416</u>	<u>36,504</u>	<u>32,912</u>
Total support services - other support	<u>69,416</u>	<u>69,416</u>	<u>36,504</u>	<u>32,912</u>
Operation of non instructional services:				
Other purchased services-transportaion	-	-	-	-
Other purchased services-food service	-	-	-	-
Total transportation services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Capital outlay	86,380	384,394	129,104	255,290
Non-operating	-	-	-	-
<i>Total expenditures</i>	<u>25,759,093</u>	<u>26,053,679</u>	<u>24,706,713</u>	<u>1,346,966</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,393,983)</u>	<u>(1,393,983)</u>	<u>145,338</u>	<u>1,539,321</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfer in (out)	-	-	8,357	8,357
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>8,357</u>	<u>8,357</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>(1,393,983)</u>	<u>(1,393,983)</u>	<u>153,695</u>	<u>1,547,678</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>\$ 2,545,323</u>	<u>\$ 2,545,323</u>	<u>\$ 4,093,001</u>	<u>\$ 5,486,984</u>

RECONCILIATION TO GAAP

Adjustments:

Deferred revenue	(811)
Accrued liabilities	(918)
Accounts receivable	(5,537)
Net change in fund balance (GAAP basis)	<u>\$ 146,429</u>

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	\$ 960,409	\$ 965,547	\$ 965,298	\$ (249)
<i>Total revenues</i>	<u>960,409</u>	<u>965,547</u>	<u>965,298</u>	<u>(249)</u>
EXPENDITURES				
Support services:				
Student transportation	960,409	965,796	965,647	149
<i>Total expenditures</i>	<u>960,409</u>	<u>965,796</u>	<u>965,647</u>	<u>149</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(249)</u>	<u>(349)</u>	<u>(100)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	249	-	(249)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>249</u>	<u>-</u>	<u>(249)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(349)</u>	<u>(349)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>497</u>	<u>497</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148</u>	<u>\$ 148</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from local sources	\$ -	\$ -	\$ -	\$ -
Revenues from state sources	112,999	221,966	142,583	(79,383)
<i>Total revenues</i>	<u>112,999</u>	<u>221,966</u>	<u>142,583</u>	<u>(79,383)</u>
EXPENDITURES				
Instruction	149,828	224,190	143,739	80,451
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>149,828</u>	<u>224,190</u>	<u>143,739</u>	<u>80,451</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(36,829)</u>	<u>(2,224)</u>	<u>(1,156)</u>	<u>1,068</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>(36,829)</u>	<u>(2,224)</u>	<u>(1,156)</u>	<u>1,068</u>
<i>Prior year cash balance</i>	<u>2,224</u>	<u>2,224</u>	<u>2,224</u>	<u>2,224</u>
<i>End of year cash balance</i>	<u>\$ (34,605)</u>	<u>\$ -</u>	<u>\$ 1,068</u>	<u>\$ 3,292</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Debt Service Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,500,613	\$ 2,500,613	\$ 2,551,372	\$ 50,759
Bond premium	-	-	5,452	5,452
<i>Total revenues</i>	<u>2,500,613</u>	<u>2,500,613</u>	<u>2,556,824</u>	<u>56,211</u>
EXPENDITURES				
Support services:				
General administration	5,501	11,501	5,250	6,251
Debt service	5,202,792	5,152,896	2,423,824	2,729,072
<i>Total expenditures</i>	<u>5,208,293</u>	<u>5,164,397</u>	<u>2,429,074</u>	<u>2,735,323</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,707,680)</u>	<u>(2,663,784)</u>	<u>127,750</u>	<u>2,791,534</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	2,663,784	2,663,784	-	(2,663,784)
<i>Total other financing sources (uses)</i>	<u>2,663,784</u>	<u>2,663,784</u>	<u>-</u>	<u>(2,663,784)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>(43,896)</u>	<u>-</u>	<u>127,750</u>	<u>127,750</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>2,663,784</u>	<u>2,663,784</u>
<i>End of year cash balance</i>	<u>\$ (43,896)</u>	<u>\$ -</u>	<u>\$ 2,791,534</u>	<u>\$ 2,791,534</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			974	
Accounts receivable			(81,806)	
Net change in fund balance (GAAP basis)			<u>\$ 46,918</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 Improvement HB-33 Capital Project Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,259,419	\$ 1,259,399	\$ 1,784,842	\$ 525,443
Revenue from state sources	-	-	1,089	1,089
Investment income	700	700	1,287	587
<i>Total revenues</i>	<u>1,260,119</u>	<u>1,260,099</u>	<u>1,787,218</u>	<u>527,119</u>
EXPENDITURES				
Support services:				
General administration	3,649	9,649	3,778	5,871
Other support services	-	-	1,344	(1,344)
Capital outlay	2,694,136	2,688,136	1,942,610	745,526
<i>Total expenditures</i>	<u>2,697,785</u>	<u>2,697,785</u>	<u>1,947,732</u>	<u>750,053</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,437,666)</u>	<u>(1,437,686)</u>	<u>(160,514)</u>	<u>1,277,172</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	1,437,666	1,437,686	-	(1,437,686)
<i>Total other financing sources (uses)</i>	<u>1,437,666</u>	<u>1,437,686</u>	<u>-</u>	<u>(1,437,686)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(160,514)	(160,514)
<i>Prior year cash balance</i>	-	-	1,957,048	1,957,048
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,796,534</u>	<u>\$ 1,796,534</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts payable			8,700	
Deferred revenue			(1,205)	
Accounts receivable			(23,800)	
Net change in fund balance (GAAP basis)			<u>\$ (176,819)</u>	

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

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Capital Improvements SB-9 Capital Project Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,251,309	\$ 1,251,309	\$ 1,792,163	\$ 540,854
Revenue from state sources	-	79,284	-	(79,284)
Revenue from local sources	-	-	162,372	162,372
Investment income	700	700	1,203	503
<i>Total revenues</i>	1,252,009	1,331,293	1,955,738	624,445
EXPENDITURES				
Support services:				
General administration	3,600	9,600	3,851	5,749
Central services	-	-	-	-
Other support services	-	-	1,256	(1,256)
Capital outlay	3,697,222	3,542,092	1,974,762	1,567,330
<i>Total expenditures</i>	3,700,822	3,551,692	1,979,869	1,571,823
<i>Excess (deficiency) of revenues over expenditures</i>	(2,448,813)	(2,220,399)	(24,131)	2,196,268
<i>Other financing sources (uses):</i>				
Designated cash balance			-	-
Transfers in	-	-	75,000	(75,000)
<i>Total other financing sources (uses)</i>	-	-	75,000	(75,000)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(2,448,813)	(2,220,399)	50,869	2,121,268
<i>Prior year cash balance</i>	1,542,330	1,542,330	1,542,330	1,542,330
<i>End of year cash balance</i>	\$ (906,483)	\$ (678,069)	\$ 1,593,199	\$ 3,663,598
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			83,647	
Accounts payable			289,797	
Deferred revenue			(80,760)	
Net change in fund balance (GAAP basis)			\$ 343,553	

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, 2012**

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, 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.

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 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/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.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2012**

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

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

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.

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 D. Perkins Redistribution – The focus of the redistribution of unused funds is to ensure continued progress in the implementation of Career-Technical Education Programs in New Mexico. Funds are used for professional development that reflects the integration of career-technical education and academics, support of nontraditional participation and completion. Authority for creation of this fund is New Mexico Public Education Department.

**TATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2012**

Carl D. Perkins – High School – To account for funds administered through the state Public Education Office to the deployment of the High Schools That Work framework is intended to improve student achievement, increase graduation rates and provide relevant and rigorous high school instruction.

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 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.

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.

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.

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

State 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.

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.

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2012**

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).

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.

2010 G.O. Bond Student Library - The funding was made available through Senate Bill 1, Laws of 2010, 2nd Special Session, Chapter 3, which appropriated funds for the public school library improvement. The funds are available on a reimbursement basis. Libraries acquired library books, equipment, and library resources for public schools.

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)

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.

Pre Kindergarten Initiative – The program strives to meet the total developmental needs of eligible participating children to include physical, cognitive, social, and emotional needs, including health care, nutrition, safety and multicultural sensitivity, in accordance with the program's annual professional services agreement between the State of New Mexico Public Education Department and the award recipients. Authority for creation of this fund is authorization of the New Mexico Public Education Department.

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.

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.

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Non-Major Special Revenue Funds
June 30, 2012**

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.

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.

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.

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.

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.

GRADS Instruction – The purpose of this program is to provide funds to be used for the salary and fringe benefits of a childcare worker for the children of student parents. Authority for creation of this fund is the Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193; Balanced Budget Act of 1997, Public Law 105-33.

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.

**Non-Major Capital Projects Funds
June 30, 2012**

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.

Local Grant- To account for donations designated for capital outlay of scoreboard.

**Non-Major Debt Service Fund
June 30, 2012**

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, 2012

	Special Revenue Funds			
	Food Services	Athletics	Title I - IASA	Migrant Children Education
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 415,237	\$ 194,193	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	467,892	20,119
Inventory	41,653	-	-	-
<i>Total assets</i>	<u>\$ 456,890</u>	<u>\$ 194,193</u>	<u>\$ 467,892</u>	<u>\$ 20,119</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ 257	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	467,635	49,369
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>467,892</u>	<u>49,369</u>
<i>Fund balances:</i>				
Nonspendable	41,653	-	-	-
Restricted	415,237	194,193	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(29,250)
<i>Total fund balances</i>	<u>456,890</u>	<u>194,193</u>	<u>-</u>	<u>(29,250)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 456,890</u>	<u>\$ 194,193</u>	<u>\$ 467,892</u>	<u>\$ 20,119</u>

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

Special Revenue Funds

IDEA-B Entitlement	IDEA-B Preschool	IDEA-B Risk Pool	Title I 1003g	Enhancing Education Thru Technology (E2T2- C)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
135,103	9,263	1,503	-	-
-	-	-	-	-
<u>\$ 135,103</u>	<u>\$ 9,263</u>	<u>\$ 1,503</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 497	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
134,606	10,149	1,503	7,282	-
-	-	-	-	-
-	-	-	-	-
<u>135,103</u>	<u>10,149</u>	<u>1,503</u>	<u>7,282</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(886)	-	(7,282)	-
-	(886)	-	(7,282)	-
<u>\$ 135,103</u>	<u>\$ 9,263</u>	<u>\$ 1,503</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOL DISTRICT
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2012

	Special Revenue Funds			
	English Language Acquisition	Teacher/ Principal Training & Recruiting	Safe and Drug Free Schools	Rural and Low Income Schools
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 2,972	\$ 13,093
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	185	-	-	-
Due from other governments	18,641	26,607	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 18,826</u>	<u>\$ 26,607</u>	<u>\$ 2,972</u>	<u>\$ 13,093</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ 185	\$ 775	\$ -	\$ 99
Accrued liabilities	-	-	-	-
Due to other funds	89,984	23,168	-	-
Deferred revenue	-	2,664	2,972	12,994
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	<u>90,169</u>	<u>26,607</u>	<u>2,972</u>	<u>13,093</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(71,343)	-	-	-
<i>Total fund balances</i>	<u>(71,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 18,826</u>	<u>\$ 26,607</u>	<u>\$ 2,972</u>	<u>\$ 13,093</u>

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

Special Revenue Funds

Title III - Immigrant Funding	Reading First	Carl D Perkins - Secondary	Carl D Perkins Redistribution	Carl D Perkins - High Schools
\$ -	\$ 147,586	\$ 19,250	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	12,999
-	-	13,102	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 147,586</u>	<u>\$ 32,352</u>	<u>\$ -</u>	<u>\$ 12,999</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	12,999	-	-
-	-	19,353	-	2,939
-	327,924	-	-	-
-	<u>327,924</u>	<u>32,352</u>	-	<u>2,939</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(180,338)	-	-	10,060
-	<u>(180,338)</u>	-	-	<u>10,060</u>
<u>\$ -</u>	<u>\$ 147,586</u>	<u>\$ 32,352</u>	<u>\$ -</u>	<u>\$ 12,999</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2012

	Special Revenue Funds				
	Title I IASA Federal Stimulus	IDEA B Entitlement- Fed Stimulus	Title VI - Comprehensive	Education of Homeless Fed Stimulus	Medicaid XIX
ASSETS					
<i>Current assets:</i>					
Cash and cash equivalents	\$ -	\$ 290	\$ 499	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable:					
Taxes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	25,214
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 290</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 25,214</u>
LIABILITIES AND FUND BALANCES					
<i>Current liabilities:</i>					
Accounts payable	\$ -	290	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	27,327
Deferred revenue	-	-	499	-	-
Advances from other funds	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>290</u>	<u>499</u>	<u>-</u>	<u>27,327</u>
<i>Fund balances:</i>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(2,113)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,113)</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 290</u>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ 25,214</u>

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

Special Revenue Funds

State Equalization Guarantee Fed Stimulus	Education Jobs Stimulus	Local Combined Grants	Dual Credit Instructional Materials	GO Student Library Fund	2010 G.O. Bond Student Library Fund
\$ -	\$ -	\$ 3,944	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,303	26,067	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,944</u>	<u>\$ 8,303</u>	<u>\$ 26,067</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	3,323	8,303	56,976	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,323	8,303	56,976	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	621	-	(30,909)	-
-	-	621	-	(30,909)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,944</u>	<u>\$ 8,303</u>	<u>\$ 26,067</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2012

	Special Revenue Funds			
	Technology for Education	Incentives for School Improvement	Truancy CYFD	PreK Initiative
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 12,821	\$ 6,021	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	52,137
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 12,821</u>	<u>\$ 6,021</u>	<u>\$ -</u>	<u>\$ 52,137</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	6,529	52,137
Deferred revenue	12,821	6,021	-	-
Advances from other funds	-	-	-	-
<i>Total liabilities</i>	<u>12,821</u>	<u>6,021</u>	<u>6,529</u>	<u>52,137</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(6,529)	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,529)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,821</u>	<u>\$ 6,021</u>	<u>\$ -</u>	<u>\$ 52,137</u>

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

Special Revenue Funds

Beginning Teacher Mentoring Program	Adequacy Tech Equity Grant	Libraries - SB 301 GO Bonds- Laws of 2006	School Library Material Fund	Early Intervention CYFD	Gear Up CHE
\$ 4,375	\$ 242,063	\$ 7,273	\$ 1,536	\$ 32,243	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,504	48,816
-	-	-	-	-	-
<u>\$ 4,375</u>	<u>\$ 242,063</u>	<u>\$ 7,273</u>	<u>\$ 1,536</u>	<u>\$ 34,747</u>	<u>\$ 48,816</u>
\$ -	\$ -	\$ -	\$ 1,536	\$ -	\$ 100
-	-	-	-	-	-
-	124,737	-	-	-	48,716
4,375	117,326	7,273	-	-	-
-	-	-	-	-	-
<u>4,375</u>	<u>242,063</u>	<u>7,273</u>	<u>1,536</u>	<u>-</u>	<u>48,816</u>
-	-	-	-	-	-
-	-	-	-	34,747	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	34,747	-
<u>\$ 4,375</u>	<u>\$ 242,063</u>	<u>\$ 7,273</u>	<u>\$ 1,536</u>	<u>\$ 34,747</u>	<u>\$ 48,816</u>

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Combining Balance Sheet
 Non-major Governmental Funds
 June 30, 2012

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	GRADS Child Care	GRADS Instruction	Value Options DOH	
ASSETS				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 5,485	\$ -	\$ -	\$ 1,108,881
Investments	-	-	-	-
Accounts receivable:				
Taxes	-	-	-	-
Due from other funds	-	-	-	13,184
Due from other governments	-	-	18,800	874,071
Inventory	-	-	-	41,653
<i>Total assets</i>	<u>\$ 5,485</u>	<u>\$ -</u>	<u>\$ 18,800</u>	<u>\$ 2,037,789</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,739
Accrued liabilities	-	-	-	-
Due to other funds	-	-	32,300	1,157,043
Deferred revenue	5,485	29,828	-	224,550
Advances from other funds	-	10,996	-	338,920
<i>Total liabilities</i>	<u>5,485</u>	<u>40,824</u>	<u>32,300</u>	<u>1,724,252</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	41,653
Restricted	-	-	-	644,177
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(40,824)	(13,500)	(372,293)
<i>Total fund balances</i>	<u>-</u>	<u>(40,824)</u>	<u>(13,500)</u>	<u>313,537</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,485</u>	<u>\$ -</u>	<u>\$ 18,800</u>	<u>\$ 2,037,789</u>

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

Capital Outlay Funds				
Special Capital Outlay - Local	Special Capital Outlay - State	Total Nonmajor Capital Projects Funds	Technology Bonds - Debt Service	Total Nonmajor Governmental Funds
\$ 108,000	\$ -	\$ 108,000	\$ 59,714	\$ 1,276,595
-	-	-	-	-
-	-	-	-	-
-	-	-	-	13,184
-	-	-	-	874,071
-	-	-	-	41,653
<u>\$ 108,000</u>	<u>\$ -</u>	<u>\$ 108,000</u>	<u>\$ 59,714</u>	<u>\$ 2,205,503</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,739
-	-	-	-	-
-	-	-	-	1,157,043
-	-	-	-	224,550
-	-	-	-	338,920
-	-	-	-	1,724,252
-	-	-	-	41,653
-	-	-	59,714	703,891
-	-	-	-	-
-	-	-	-	-
108,000	-	108,000	-	(264,293)
<u>108,000</u>	<u>-</u>	<u>108,000</u>	<u>59,714</u>	<u>481,251</u>
<u>\$ 108,000</u>	<u>\$ -</u>	<u>\$ 108,000</u>	<u>\$ 59,714</u>	<u>\$ 2,205,503</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, 2012

	Special Revenue Funds			
	Food Services	Athletics	Title I - IASA	Migrant Children Education
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	376	273	-	-
Food services	270,791	-	-	-
District activities	-	83,117	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	-
Revenue from state sources	2,440	2,759	-	-
Revenue from federal sources	1,155,779	-	718,372	31,269
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	<u>1,429,386</u>	<u>86,149</u>	<u>718,372</u>	<u>31,269</u>
EXPENDITURES				
Current:				
Instruction	-	52,093	571,783	10,365
Support services				
Students	-	-	270	-
Instruction	-	-	-	-
General administration	-	-	15,445	-
School administration	-	-	107,148	20,904
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	1,242,498	-	-	-
Community services	-	-	-	-
Capital outlay	156,041	-	23,726	-
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>1,398,539</u>	<u>52,093</u>	<u>718,372</u>	<u>31,269</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>30,847</u>	<u>34,056</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>				
Increase (decrease) in inventory	18,659	-	-	-
Transfers in (out)	-	-	-	-
<i>Net changes in fund balance</i>	<u>49,506</u>	<u>34,056</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>407,384</u>	<u>160,137</u>	<u>-</u>	<u>(29,250)</u>
<i>Fund balances--end of year</i>	<u>\$ 456,890</u>	<u>\$ 194,193</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 Preschool	IDEA B Risk Pool	Title I- 1003 G	Enchancing Education Thru Technology (E2T2-C)
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
675,742	40,045	5,838	-	-
-	-	-	-	-
<u>675,742</u>	<u>40,045</u>	<u>5,838</u>	<u>-</u>	<u>-</u>
295,373	28,319	5,838	-	-
279,805	1,726	-	-	-
-	-	-	-	-
17,002	-	-	-	-
30,345	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
53,217	-	-	-	-
-	10,000	-	-	-
-	-	-	-	-
<u>675,742</u>	<u>40,045</u>	<u>5,838</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	5,754
-	-	-	-	5,754
-	(886)	-	(7,282)	(5,754)
<u>\$ -</u>	<u>\$ (886)</u>	<u>\$ -</u>	<u>\$ (7,282)</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, 2012

	Special Revenue Funds			
	English Language Acquisition	Teacher/ Principal Training & Recruiting	Safe and Drug Free Schools	Rural and Low Income Schools
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	355	-	-
Revenue from state sources	-	-	-	-
Revenue from federal sources	27,175	122,537	-	-
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	<u>27,175</u>	<u>122,892</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	19,196	28,043	-	-
Support services				
Students	150	53,285	-	-
Instruction	-	-	-	-
General administration	2,787	1,136	-	-
School administration	3,517	40,428	-	-
Central services	1,525	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>27,175</u>	<u>122,892</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>				
Increase (decreases) in inventory	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>(71,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances--end of year</i>	<u>\$ (71,343)</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, 2012

	Special Revenue Funds				
	Title I IASA Federal Stimulus	IDEA B Entitlement- Fed Stimulus	Title VI - Comprehensive	Education of Homeless Fed Stimulus	Medicaid XIX
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	-
District activities	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Revenue from local sources	-	-	-	-	-
Revenue from state sources	-	-	-	-	-
Revenue from federal sources	-	-	-	-	216,964
Uncollectible revenue	-	-	-	-	-
<i>Total revenues</i>	-	-	-	-	216,964
EXPENDITURES					
Current:					
Instruction	-	-	-	-	13,163
Support services					
Students	-	-	-	-	183,857
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>	-	-	-	-	197,020
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-	-19,944
<i>Other financing sources(uses):</i>					
Increases (decreases) in inventory	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
<i>Net changes in fund balance</i>	-	-	-	-	19,944
<i>Beginning fund balances</i>	-	-	-	-	(22,057)
<i>Fund balances--end of year</i>	\$ -	\$ -	\$ -	\$ -	\$ (2,113)

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

Special Revenue Funds

Equalization Guarantee- Federal Stimulus	Education Jobs Stimulus	Local Combined Grants	Dual Credit Instructional Materials	GO Student Library Fund	2010 G.O. Bond Student Library Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	20,641	26,067	-
-	9,953	-	-	-	-
-	-	-	-	(30,909)	-
-	9,953	-	20,641	(4,842)	-
-	9,953	-	20,641	-	-
-	-	-	-	-	-
-	-	-	-	26,067	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,953	-	20,641	26,067	-
-	-	-	-	(30,909)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(30,909)	-
-	-	621	-	-	-
\$ -	\$ -	\$ 621	\$ -	\$ (30,909)	\$ -

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, 2012

	Special Revenue Funds			
	Technology for Education	Incentives for School Improvement	Truancy CYFD	PreK Initiative
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	-
Revenue from state sources	5,920	10,131	-	120,894
Revenue from federal sources	-	-	-	-
Uncollectible revenue	-	-	-	-
<i>Total revenues</i>	<u>5,920</u>	<u>10,131</u>	<u>-</u>	<u>120,894</u>
EXPENDITURES				
Current:				
Instruction	-	10,131	-	120,894
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	5,920	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>5,920</u>	<u>10,131</u>	<u>-</u>	<u>120,894</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources(uses):</i>				
Increases (decreases) in inventory	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Beginning fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,529)</u>	<u>-</u>
<i>Fund balances--end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,529)</u>	<u>\$ -</u>

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

Special Revenue Funds

Beginning Teacher Mentoring Program	Adequacy Tech Equity Grant	Libraries - SB 301 GO Bonds- Laws of 2006	School Library Material Fund	Early Intervention CYFD	Gear Up-CHE
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,261	-	-	-	16,543	112,562
-	-	-	-	-	-
-	-	-	-	-	-
6,261	-	-	-	16,543	112,562
6,261	-	-	-	22,528	111,035
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,527
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,261	-	-	-	22,528	112,562
-	-	-	-	(5,985)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(5,985)	-
-	-	-	-	40,732	-
\$ -	\$ -	\$ -	\$ -	\$ 34,747	-

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, 2012

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	GRADS Child Care	GRADS Instruction	Value Options DOH	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Investment income	-	-	-	649
Food services	-	-	-	270,791
District activities	-	-	-	83,117
Insurance recoveries	-	-	-	-
Revenue from local sources	-	-	-	355
Revenue from state sources	3,326	10,422	47,641	385,607
Revenue from federal sources	-	-	-	3,042,961
Uncollectible revenue	-	-	-	(30,909)
<i>Total revenues</i>	<u>3,326</u>	<u>10,422</u>	<u>47,641</u>	<u>3,752,571</u>
EXPENDITURES				
Current:				
Instruction	-	10,422	61,141	1,436,466
Support services				
Students	3,326	-	-	522,419
Instruction	-	-	-	26,067
General administration	-	-	-	37,897
School administration	-	-	-	202,342
Central services	-	-	-	7,445
Operation and maintenance of plant	-	-	-	-
Operation of non instructional services				
Food services operation	-	-	-	1,242,498
Community services	-	-	-	53,217
Capital outlay	-	-	-	189,767
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>3,326</u>	<u>10,422</u>	<u>61,141</u>	<u>3,718,118</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,500)</u>	<u>34,453</u>
<i>Other financing sources(uses):</i>				
Increases (decreases) in inventory	-	-	-	18,659
Transfers in (out)	-	-	-	5,754
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>(13,500)</u>	<u>58,866</u>
<i>Beginning fund balances</i>	<u>-</u>	<u>(40,824)</u>	<u>-</u>	<u>254,671</u>
<i>Fund balances--end of year</i>	<u>\$ -</u>	<u>\$ (40,824)</u>	<u>\$ (13,500)</u>	<u>\$ 313,537</u>

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

Capital Outlay Funds

Special Capital Outlay - Local	Special Capital Outlay - State	Total Nonmajor Capital Projects Funds	Technology Bonds - Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2	\$ 2
-	-	-	-	-
-	-	-	-	649
-	-	-	-	270,791
-	-	-	-	83,117
-	-	-	-	-
108,000	-	108,000	-	108,355
-	6,261	6,261	-	391,868
-	-	-	-	3,042,961
-	-	-	-	(30,909)
<u>108,000</u>	<u>6,261</u>	<u>114,261</u>	<u>2</u>	<u>3,866,834</u>
-	6,261	6,261	-	1,442,727
-	-	-	-	522,419
-	-	-	-	26,067
-	-	-	-	37,897
-	-	-	-	202,342
-	-	-	-	7,445
-	-	-	-	-
-	-	-	-	1,242,498
-	-	-	-	53,217
-	-	-	-	189,767
-	-	-	-	-
-	<u>6,261</u>	<u>6,261</u>	<u>-</u>	<u>3,724,379</u>
<u>108,000</u>	<u>-</u>	<u>108,000</u>	<u>2</u>	<u>142,455</u>
-	-	-	-	18,659
-	(75,000)	(75,000)	-	(69,246)
108,000	(75,000)	33,000	2	91,868
-	75,000	75,000	59,712	389,383
<u>\$ 108,000</u>	<u>\$ -</u>	<u>\$ 108,000</u>	<u>\$ 59,714</u>	<u>\$ 481,251</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ -	\$ -	\$ 376	\$ 376
District activities	197,092	197,092	270,791	73,699
Revenues from federal sources	1,327,255	1,327,255	1,155,779	(171,476)
Revenue from state sources	-	-	2,440	2,440
<i>Total revenues</i>	<u>1,524,347</u>	<u>1,524,347</u>	<u>1,429,386</u>	<u>(94,961)</u>
EXPENDITURES				
Operation of non-instructional services:				
Food services	1,624,251	1,649,077	1,242,498	406,579
Capital outlay	150,000	85,174	156,041	(70,867)
<i>Total expenditures</i>	<u>1,774,251</u>	<u>1,734,251</u>	<u>1,398,539</u>	<u>335,712</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(249,904)</u>	<u>(209,904)</u>	<u>30,847</u>	<u>240,751</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>(249,904)</u>	<u>(209,904)</u>	<u>30,847</u>	<u>240,751</u>
<i>Prior year cash balance</i>	<u>384,390</u>	<u>384,390</u>	<u>384,390</u>	<u>384,390</u>
<i>End of year cash balance</i>	<u>\$ 134,486</u>	<u>\$ 174,486</u>	<u>\$ 415,237</u>	<u>\$ 625,141</u>
RECONCILIATION TO GAAP				
Adjustments:				
Inventory			18,659	
Net change in fund balance (GAAP basis)			<u>\$ 49,506</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ -	\$ -	\$ 273	\$ 273
District activities	110,000	110,000	83,117	(26,883)
Revenue from state sources	-	-	2,759	2,759
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	<u>110,000</u>	<u>110,000</u>	<u>86,149</u>	<u>(23,851)</u>
EXPENDITURES				
Instruction	296,657	296,657	52,093	244,564
<i>Total expenditures</i>	<u>296,657</u>	<u>296,657</u>	<u>52,093</u>	<u>244,564</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(186,657)</u>	<u>(186,657)</u>	<u>34,056</u>	<u>220,713</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>(186,657)</u>	<u>(186,657)</u>	<u>34,056</u>	<u>220,713</u>
<i>Prior year cash balance</i>	<u>160,137</u>	<u>160,137</u>	<u>160,137</u>	<u>160,137</u>
<i>End of year cash balance</i>	<u>\$ (26,520)</u>	<u>\$ (26,520)</u>	<u>\$ 194,193</u>	<u>\$ 380,850</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Title I - IASA Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 703,907	\$ 808,860	\$ 293,606	\$ (515,254)
<i>Total revenues</i>	<u>703,907</u>	<u>808,860</u>	<u>293,606</u>	<u>(515,254)</u>
EXPENDITURES				
Instruction	569,046	605,204	571,783	33,421
Support services:				
Students	-	1,000	270	730
Instruction	-	-	-	-
General administration	7,039	17,039	15,445	1,594
School administration	127,822	128,822	107,148	21,674
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	56,795	23,726	33,069
<i>Total expenditures</i>	<u>703,907</u>	<u>808,860</u>	<u>718,372</u>	<u>90,488</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(424,766)	(424,766)
<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>	-	-	(424,766)	(424,766)
<i>Prior year cash balance</i>	-	-	(42,869)	(42,869)
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (467,635)</u>	<u>\$ (467,635)</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable	335,382
Deferred revenue	89,435
Accounts payable	(51)
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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 35,000	\$ 32,286	\$ 30,763	\$ (1,523)
<i>Total revenues</i>	<u>35,000</u>	<u>32,286</u>	<u>30,763</u>	<u>(1,523)</u>
EXPENDITURES				
Instruction	23,867	10,953	10,365	588
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
School administration	11,133	21,333	20,904	429
<i>Total expenditures</i>	<u>35,000</u>	<u>32,286</u>	<u>31,269</u>	<u>1,017</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(506)</u>	<u>(506)</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>(506)</u>	<u>(506)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(48,866)</u>	<u>(48,866)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,372)</u>	<u>\$ (49,372)</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

506

Net change in fund balance (GAAP basis)

\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 IDEA-B Entitlement Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 673,485	\$ 779,728	\$ 682,509	\$ (97,219)
<i>Total revenues</i>	<u>673,485</u>	<u>779,728</u>	<u>682,509</u>	<u>(97,219)</u>
EXPENDITURES				
Instruction	269,685	346,952	295,373	51,579
Support services:				
Students	284,565	314,229	279,805	34,424
General administration	8,140	17,021	17,002	19
School administration	34,595	33,526	30,345	3,181
Central services	-	-	-	-
Community services	76,440	67,940	53,217	14,723
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>673,425</u>	<u>779,668</u>	<u>675,742</u>	<u>103,926</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>60</u>	<u>60</u>	<u>6,767</u>	<u>6,707</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>60</u>	<u>60</u>	<u>6,767</u>	<u>6,707</u>
<i>Prior year cash balance</i>	-	-	(141,375)	(141,375)
<i>End of year cash balance</i>	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ (134,608)</u>	<u>\$ (134,668)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(6,568)	
Accounts payable			(199)	
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 Preschool Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 32,519	\$ 45,568	\$ 37,717	\$ (7,851)
<i>Total revenues</i>	<u>32,519</u>	<u>45,568</u>	<u>37,717</u>	<u>(7,851)</u>
EXPENDITURES				
Instruction	32,519	31,694	28,319	3,375
Support services:				
Students	-	1,727	1,726	1
General administration	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	12,147	10,000	2,147
<i>Total expenditures</i>	<u>32,519</u>	<u>45,568</u>	<u>40,045</u>	<u>5,523</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,328)	(2,328)
<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>	-	-	(2,328)	(2,328)
<i>Prior year cash balance</i>	166	166	(7,821)	(7,821)
<i>End of year cash balance</i>	<u>\$ 166</u>	<u>\$ 166</u>	<u>\$ (10,149)</u>	<u>\$ (10,149)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			2,328	
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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 5,839	\$ 10,878	\$ 5,039
<i>Total revenues</i>	<u>-</u>	<u>5,839</u>	<u>10,878</u>	<u>5,039</u>
EXPENDITURES				
Instruction	-	5,839	5,838	1
<i>Total expenditures</i>	<u>-</u>	<u>5,839</u>	<u>5,838</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>5,040</u>	<u>5,040</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>5,040</u>	<u>5,040</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(6,543)</u>	<u>(6,543)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,503)</u>	<u>\$ (1,503)</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

(5,040)

Net change in fund balance (GAAP basis)

\$ -

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(7,282)	(7,282)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (7,282)	\$ (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-C) Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in	-	-	5,754	5,754
<i>Total other financing sources (uses)</i>	-	-	5,754	5,754
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	5,754	5,754
<i>Prior year cash balance</i>	-	-	(5,754)	(5,754)
<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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 41,099	\$ 47,511	\$ 40,428	\$ (7,083)
<i>Total revenues</i>	<u>41,099</u>	<u>47,511</u>	<u>40,428</u>	<u>(7,083)</u>
EXPENDITURES				
Instruction	33,198	37,945	19,196	18,749
Support services				
Students	-	350	150	200
General administration	901	3,996	2,787	1,209
School administration	7,000	3,590	3,517	73
Central Services	-	1,630	1,525	105
<i>Total expenditures</i>	<u>41,099</u>	<u>47,511</u>	<u>27,175</u>	<u>20,336</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,253</u>	<u>13,253</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>13,253</u>	<u>13,253</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(31,709)</u>	<u>(31,709)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,456)</u>	<u>\$ (18,456)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(13,068)	
Accounts payable			(185)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Teacher/Principal Training and Recruiting Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 181,766	\$ 241,317	\$ 125,021	\$ (116,296)
Revenue from local sources	-	-	355	355
<i>Total revenues</i>	<u>181,766</u>	<u>241,317</u>	<u>125,376</u>	<u>(115,941)</u>
EXPENDITURES				
Instruction	46,076	102,049	28,043	74,006
Support services:				
Students	84,700	83,278	53,285	29,993
Instruction	-	-	-	-
General administration	3,813	3,813	1,136	2,677
School administration	47,177	52,177	40,428	11,749
Central services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>181,766</u>	<u>241,317</u>	<u>122,892</u>	<u>118,425</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,484</u>	<u>2,484</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>2,484</u>	<u>2,484</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(25,651)</u>	<u>(25,651)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,167)</u>	<u>\$ (23,167)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(2,129)	
Accounts payable			(355)	
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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 450	\$ 450
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>450</u>	<u>450</u>
EXPENDITURES				
Instruction	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>450</u>	<u>450</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>450</u>	<u>450</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>2,522</u>	<u>2,522</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,972</u>	<u>\$ 2,972</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(450)	
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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 28,022	\$ 28,022
<i>Total revenues</i>	-	-	28,022	28,022
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
General administration	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	28,022	28,022
<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>	-	-	28,022	28,022
<i>Prior year cash balance</i>	-	-	(14,929)	(14,929)
<i>End of year cash balance</i>	\$ -	\$ -	\$ 13,093	\$ 13,093

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable	(27,923)
Accounts payable	(99)
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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 14,111	\$ 14,111
<i>Total revenues</i>	-	-	14,111	14,111
EXPENDITURES				
Instruction	-	-	14,111	(14,111)
<i>Total expenditures</i>	-	-	14,111	(14,111)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers out	-	-	-	-
<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>	-	-	0	-
<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
 Reading First Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
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	-	-	-	-
<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>	-	-	(180,338)	(180,338)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (180,338)	\$ (180,338)
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			0	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Carl D Perkins Secondary Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 17,751	\$ 23,142	\$ 12,542	\$ (10,600)
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	<u>17,751</u>	<u>23,142</u>	<u>12,542</u>	<u>(10,600)</u>
EXPENDITURES				
Instruction	17,751	23,142	22,064	1,078
Support services:				
School administration	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>17,751</u>	<u>23,142</u>	<u>22,064</u>	<u>1,078</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,522)</u>	<u>(9,522)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,522)</u>	<u>(9,522)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>15,774</u>	<u>15,774</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,252</u>	<u>\$ 6,252</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			<u>9,522</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
 Carl D Perkins Redistribution Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 3,111	\$ 3,111	\$ -
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	-	3,111	3,111	-
EXPENDITURES				
Instruction	-	3,111	3,111	-
Support services:				
School administration	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	3,111	3,111	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Carl D Perkins - High Schools Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Instruction	-	-	-	-
School administration	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers in (out)	-	-	-	-
<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>	-	-	12,999	12,999
<i>End of year cash balance</i>	\$ -	\$ -	\$ 12,999	\$ 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 I - IASA Federal Stimulus Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 101,963	\$ 101,963
<i>Total revenues</i>	-	-	101,963	101,963
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
General administration	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	101,963	101,963
<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>	-	-	101,963	101,963
<i>Prior year cash balance</i>	-	-	(101,963)	(101,963)
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

(101,963)

Net change in fund balance (GAAP basis)

\$ -

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 80,137	\$ 80,137
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>80,137</u>	<u>80,137</u>
EXPENDITURES				
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>80,137</u>	<u>80,137</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>80,137</u>	<u>80,137</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(79,847)</u>	<u>(79,847)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290</u>	<u>\$ 290</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable	<u>(80,137)</u>
Net change in fund balance (GAAP basis)	<u>\$ -</u>

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	499	499
<i>End of year cash balance</i>	\$ -	\$ -	\$ 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
 Education of Homeless Federal Stimulus Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 7,167	\$ 7,167
<i>Total revenues</i>	-	-	7,167	7,167
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	7,167	7,167
<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>	-	-	7,167	7,167
<i>Prior year cash balance</i>	-	-	(7,167)	(7,167)
<i>End of year cash balance</i>	\$ -	\$ -	\$ -	\$ -
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(7,167)	
Net change in fund balance (GAAP basis)			\$ -	

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 191,024	\$ 205,114	\$ 14,090
Revenue from local sources	-	-	-	-
<i>Total revenues</i>	-	191,024	205,114	14,090
EXPENDITURES				
Instruction	-	18,424	17,749	675
Support services:				
Students	-	188,754	183,856	4,898
<i>Total expenditures</i>	-	207,178	201,605	5,573
<i>Excess (deficiency) of revenues over expenditures</i>	-	(16,154)	3,509	19,663
<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>	-	(16,154)	3,509	19,663
<i>Prior year cash balance</i>	-	-	(30,836)	(30,836)
<i>End of year cash balance</i>	\$ -	\$ (16,154)	\$ (27,327)	\$ (11,173)

RECONCILIATION TO GAAP

Adjustments:	
Accounts receivable	11,850
Accounts payable	4,585
Net change in fund balance (GAAP basis)	<u>\$ 19,944</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ 90	\$ 90
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>90</u>	<u>90</u>
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
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>90</u>	<u>90</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>90</u>	<u>90</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>(90)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			(90)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 9,953	\$ 200,740	\$ 190,787
<i>Total revenues</i>	<u>-</u>	<u>9,953</u>	<u>200,740</u>	<u>190,787</u>
EXPENDITURES				
Instruction	-	9,953	9,953	-
<i>Total expenditures</i>	<u>-</u>	<u>9,953</u>	<u>9,953</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>	<u>-</u>	<u>-</u>	<u>(190,787)</u>	<u>(190,787)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

(190,787)

Net change in fund balance (GAAP basis)

\$ -

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, 2012

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

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Dual Credit Instructional Materials Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 22,535	\$ 12,338	\$ (10,197)
<i>Total revenues</i>	<u>-</u>	<u>22,535</u>	<u>12,338</u>	<u>(10,197)</u>
EXPENDITURES				
Support Services				
Instruction	-	22,535	20,641	1,894
<i>Total expenditures</i>	<u>-</u>	<u>22,535</u>	<u>20,641</u>	<u>1,894</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,303)</u>	<u>(8,303)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,303)</u>	<u>(8,303)</u>
<i>Prior year cash balance</i>	-	-	-	-
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,303)</u>	<u>\$ (8,303)</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 34,653	\$ -	\$ (34,653)
<i>Total revenues</i>	<u>-</u>	<u>34,653</u>	<u>-</u>	<u>(34,653)</u>
EXPENDITURES				
Support Services				
Instruction	-	34,653	26,067	8,586
<i>Total expenditures</i>	<u>-</u>	<u>34,653</u>	<u>26,067</u>	<u>8,586</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(26,067)</u>	<u>(26,067)</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>(26,067)</u>	<u>(26,067)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(30,909)</u>	<u>(30,909)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,976)</u>	<u>\$ (56,976)</u>

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

(4,842)

Net change in fund balance (GAAP basis)

\$ (30,909)

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
 2010 G.O. Bond Student Library Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 22,832	\$ 22,832	\$ -	\$ (22,832)
<i>Total revenues</i>	<u>22,832</u>	<u>22,832</u>	<u>-</u>	<u>(22,832)</u>
EXPENDITURES				
Support Services				
Instruction	22,832	22,832	-	22,832
<i>Total expenditures</i>	<u>22,832</u>	<u>22,832</u>	<u>-</u>	<u>22,832</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
 Technology for Education Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
Central services	-	18,741	5,920	12,821
<i>Total expenditures</i>	-	18,741	5,920	12,821
<i>Excess (deficiency) of revenues over expenditures</i>	-	(18,741)	(5,920)	12,821
<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>	-	(18,741)	(5,920)	12,821
<i>Prior year cash balance</i>	-	18,741	18,741	18,741
<i>End of year cash balance</i>	\$ -	\$ -	\$ 12,821	\$ 31,562

RECONCILIATION TO GAAP

Adjustments:

Deferred revenue

5,920

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 16,152	\$ -	\$ (16,152)
<i>Total revenues</i>	-	16,152	-	(16,152)
EXPENDITURES				
Instruction	-	12,652	10,131	2,521
<i>Total expenditures</i>	-	12,652	10,131	2,521
<i>Excess (deficiency) of revenues over expenditures</i>	-	3,500	(10,131)	(13,631)
<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>	-	3,500	(10,131)	(13,631)
<i>Prior year cash balance</i>	-	-	16,152	16,152
<i>End of year cash balance</i>	\$ -	\$ 3,500	\$ 6,021	\$ 2,521

RECONCILIATION TO GAAP

Adjustments:

Deferred revenue

10,131

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 CYFD Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Operation & maintenance of plant	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	(6,529)	(6,529)
<i>End of year cash balance</i>	\$ -	\$ -	\$ (6,529)	\$ (6,529)

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 PreK Initiative Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 120,900	\$ 68,757	\$ (52,143)
<i>Total revenues</i>	<u>-</u>	<u>120,900</u>	<u>68,757</u>	<u>(52,143)</u>
EXPENDITURES				
Support services:				
Food service	-	120,900	120,894	6
<i>Total expenditures</i>	<u>-</u>	<u>120,900</u>	<u>120,894</u>	<u>6</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(52,137)</u>	<u>(52,137)</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>(52,137)</u>	<u>(52,137)</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>\$ (52,137)</u>	<u>\$ (52,137)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			52,137	
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
 Beginning Teacher Mentoring Program Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 10,637	\$ -	\$ (10,637)
<i>Total revenues</i>	<u>-</u>	<u>10,637</u>	<u>-</u>	<u>(10,637)</u>
EXPENDITURES				
Instruction	-	10,637	6,261	4,376
<i>Total expenditures</i>	<u>-</u>	<u>10,637</u>	<u>6,261</u>	<u>4,376</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,261)</u>	<u>(6,261)</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>(6,261)</u>	<u>(6,261)</u>
<i>Prior year cash balance</i>		10,637	10,637	10,637
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ 10,637</u>	<u>\$ 4,376</u>	<u>\$ 4,376</u>
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			6,261	
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
 Adequacy Tech Equity Grant Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Student services:				
Instruction	-	-	-	-
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>	-	117,327	117,327	117,327
<i>End of year cash balance</i>	\$ -	\$ 117,327	\$ 117,327	\$ 117,327

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support Services				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	7,273	7,273
<i>End of year cash balance</i>	\$ -	\$ -	\$ 7,273	\$ 7,273

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, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	-	-	-	-
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Prior year cash balance</i>	-	-	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
 Early Intervention CYFD Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ 14,039	\$ 14,039
<i>Total revenues</i>	-	-	14,039	14,039
EXPENDITURES				
Instruction	-	40,732	22,528	18,204
<i>Total expenditures</i>	-	40,732	22,528	18,204
<i>Excess (deficiency) of revenues over expenditures</i>	-	(40,732)	(8,489)	32,243
<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>	-	(40,732)	(8,489)	32,243
<i>Prior year cash balance</i>	40,732	40,732	40,732	40,732
<i>End of year cash balance</i>	\$ 40,732	\$ -	\$ 32,243	\$ 72,975

RECONCILIATION TO GAAP

Adjustments:

Accounts receivable

Net change in fund balance (GAAP basis)

2,504
<u>\$ (5,985)</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 123,095	\$ 104,230	\$ (18,865)
<i>Total revenues</i>	<u>-</u>	<u>123,095</u>	<u>104,230</u>	<u>(18,865)</u>
EXPENDITURES				
Instruction	-	117,045	111,035	6,010
School Admin	-	6,050	1,527	4,523
<i>Total expenditures</i>	<u>-</u>	<u>123,095</u>	<u>112,562</u>	<u>10,533</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,332)</u>	<u>(8,332)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,332)</u>	<u>(8,332)</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(40,484)</u>	<u>(40,484)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,816)</u>	<u>\$ (48,816)</u>
RECONCILIATION TO GAAP				
Adjustments:				
Accounts receivable			8,332	
Accounts payable			-	
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 Child Care Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 4,000	\$ 4,000	\$ 2,621	\$ (1,379)
<i>Total revenues</i>	4,000	4,000	2,621	(1,379)
EXPENDITURES				
Instruction	4,000	4,000	3,326	674
<i>Total expenditures</i>	4,000	4,000	3,326	674
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(705)	(705)
<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>	-	-	(705)	(705)
<i>Prior year cash balance</i>	-	-	6,190	6,190
<i>End of year cash balance</i>	\$ -	\$ -	\$ 5,485	\$ 5,485
RECONCILIATION TO GAAP				
Adjustments:				
Deferred revenue			705	
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 Instruction Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 8,000	\$ 36,000	\$ 40,250	\$ 4,250
<i>Total revenues</i>	<u>8,000</u>	<u>36,000</u>	<u>40,250</u>	<u>4,250</u>
EXPENDITURES				
Instruction	8,000	36,000	10,422	25,578
Support services:				
Students	-	-	-	-
<i>Total expenditures</i>	<u>8,000</u>	<u>36,000</u>	<u>10,422</u>	<u>25,578</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>29,828</u>	<u>29,828</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>29,828</u>	<u>29,828</u>
<i>Prior year cash balance</i>	<u>-</u>	<u>-</u>	<u>(40,825)</u>	<u>(40,825)</u>
<i>End of year cash balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,997)</u>	<u>\$ (10,997)</u>

RECONCILIATION TO GAAP

Adjustments:

Deferred revenue

(29,828)

Accounts receivable

-

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
 Value Options DOH Special Revenue Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 55,974	\$ 23,400	\$ (32,574)
<i>Total revenues</i>	-	55,974	23,400	(32,574)
EXPENDITURES				
Instruction	-	61,414	61,141	273
<i>Total expenditures</i>	-	61,414	61,141	273
<i>Excess (deficiency) of revenues over expenditures</i>	-	(5,440)	(37,741)	(32,301)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	(5,440)	(37,741)	(32,301)
<i>Prior year cash balance</i>	-	5,440	5,440	5,440
<i>End of year cash balance</i>	\$ -	\$ -	\$ (32,301)	\$ (26,861)

RECONCILIATION TO GAAP

Adjustments:	
Accounts receivable	18,801
Deferred revenue	5,440
Net change in fund balance (GAAP basis)	<u>\$ (13,500)</u>

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
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>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
Transfers out	-	-	(75,000)	(75,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</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>75,000</u>	<u>75,000</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
 Technology Bonds Debt Service Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 2	\$ 2
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
EXPENDITURES				
Support services:				
Instruction	-	-	-	-
Debt service	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</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</u>	<u>2</u>
<i>Prior year cash balance</i>	59,712	59,712	59,712	59,712
<i>End of year cash balance</i>	<u>\$ 59,712</u>	<u>\$ 59,712</u>	<u>\$ 59,714</u>	<u>\$ 59,714</u>

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

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Fiduciary Funds
June 30, 2012**

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, 2012

	Balance 06/30/11	Transfers	Additions	Deductions	Balance 06/30/12
High School Yearbook	9,885		4,760	5,857	\$ 8,788
6th Grade Energy Club	154		-	-	154
Business Professional of America	3,040		-	-	3,040
7th Grade Choir	138		-	-	138
Key Club	2,046		624	835	1,835
AP Consumable Lab/Cavine	286		-	-	286
Cheerleaders-High School	7,174		8,295	15,149	320
Cheerleaders-Jr. High	4,922		4,504	7,372	2,054
Communication	360		-	-	360
Consumable Workbooks	108		-	-	108
Llano Activity Fund	1,349		2,426	2,298	1,477
FFA	25,092	100	37,732	33,753	29,171
LHS FCCLA	8,807		7,971	7,387	9,391
FHA-Jr. High	27		-	-	27
Scholarship Activity	5,749		500	500	5,749
High School Computer Lab-NMJC	5,035		-	-	5,035
HS Student ID	987		-	-	987
TMS Technology	147		-	-	147
Administration Coke Fund	215		35	-	250
Judy Davis Memorial	398		-	-	398
TMS Activity Account	5,594	(531)	2,813	3,014	4,862
6th Grade Activity Account	2,331		19,954	19,811	2,474
Junior Class	5,100		5,972	4,177	6,895
Library Fines	1,484		616	-	2,100
Miscellaneous	11,738	(1,347)	15,438	11,759	14,070
NOW/Account/Interest Earned	2,411		212	-	2,623
Senior Class	1,969		-	1,725	244
Sophomore Class	1,552	(271)	-	-	1,281
Choir Activity	7,220		2,597	4,531	5,286
Special Education Fund	1,461	529	25,646	24,661	2,975
TMS Honor Society	1,956		-	1,310	646
Student Council-High School	5,698		14,587	10,659	9,626
Student Council-Jr. High	293		-	-	293
6th Grade Honor Society	4,707		12,204	11,986	4,925
Summer School	14,592		1,375	-	15,967
Volleyball - High School	489		-	-	489
9th Grade Home Economics	549		-	102	447
A.K. Head Scholarship	3,527		21	-	3,548

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, 2012

	Balance 06/30/11	Transfers	Additions	Deductions	Balance 06/30/12
ACTIVITY ASSETS (continued)					
H. Clardy Scholarship	5,519		29	500	5,048
Crouse Memorial Scholarship	8,807		63	1,500	7,370
Volleyball - Junior High	323		-	-	323
Wal-Mart Teacher of the Year	33		-	-	33
9th Media Class	441		-	70	371
Ben Alexander Activity	3,923		3,357	4,493	2,787
Task Force for Substance	1,250		-	-	1,250
Project Planned Success	1,425		1,444	671	2,198
National Honor Society	1,124		575	606	1,093
TMS Library/M. Gutierrez	1,591		308	50	1,849
Jr. High Library	318		1,468	1,417	369
Jefferson Activity Fund	15,857		19,206	17,178	17,885
District 4AAA Activity Fund	2,783		4,650	5,215	2,218
LJHS Media Class	153		-	-	153
After Grads	18,032		14,204	11,708	20,528
High School Library	5,898		2,113	3,569	4,442
Junior High Home Economics	695		-	-	695
Jr. High National Honor Society	211		-	-	211
Culinary Arts Lab Fee	2,780		2,130	1,726	3,184
High School Principals Coke Acct.	125		599	293	431
LJHS Dance	1,233		602	685	1,150
High School Math-Ancell	1,359		480	45	1,794
High School Parking Sticker-A.K.	389		-	-	389
Yarbro Library	1,231		10,112	9,164	2,179
Jefferson Library	10,012		6,867	5,093	11,786
Ben A. Library	2,027		5,071	4,841	2,257
Lea Library	293	(500)	9,240	7,587	1,446
Llano Library	3,385		6,466	7,267	2,584
Bob Jameson Memorial	325		-	-	325
Freshman Academy Volleyball	63		-	-	63
Elementary Fine Arts - Belinda	14,305		7,975	12,115	10,165
High School Art Club	295		-	-	295
9th Grade Student Council	1,473		-	-	1,473
Brian Urlacher Scholarship	3,125		-	-	3,125
David Templeman Memorial	6,290		720	-	7,010
Wildcat Tale	1,319		-	-	1,319
FCA/AK Lovejoy	2	200	-	-	202

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, 2012

	Balance 06/30/11	Transfers	Additions	Deductions	Balance 06/30/12
ACTIVITY ASSETS (continued)					
Bilingual/J. Paloma	644	(400)	6,441	3,986	2,699
LEA Activity Fund	2,860		22,005	17,715	7,150
High School Tech Lab	800		-	-	800
Yarbro Activity Account	4,163		28,564	25,527	7,200
9th Grade FHA	27		-	-	27
Character Counts-Becky Davis	5		-	-	5
Science Activity Fund	5,417		5,469	6,355	4,531
Department of Public Safety	1,380		3,335	3,432	1,283
Jr. High Lounge Cokes	1,094		-	-	1,094
HS - PSAT Testing	326		322	322	326
9th Dance Fund	649		-	-	649
NHHS Activity	624		1,241	1,774	91
9th Grade Cheerleader Fund	2,683		1,095	3,537	241
Aaron Austin Scholarship	335		-	-	335
J.D. Fry Scholarship	300		-	-	300
High School Band	3,637		600	4,178	59
Caprock Pipe Supply Scholarship	802		-	-	802
PNM Grants	6		-	-	6
Urlacher Royalties	3,119		-	-	3,119
Total Activity Funds	<u>\$ 295,875</u>	<u>\$ (2,220)</u>	<u>\$ 335,033</u>	<u>\$ 329,505</u>	<u>\$ 299,183</u>
 Total Due to Other School Organizations	 <u>\$ 295,875</u>	 <u>\$ (2,220)</u>	 <u>\$ 335,033</u>	 <u>\$ 329,505</u>	 <u>\$ 299,183</u>

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, 2012

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2012	Name and Location of Safekeeper
Western Commerce Bank	FHLMC #390234 Due 4/01/30	\$ 35,679	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC #420041 Due 09/18/18	21,201	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC #420175B Due 03/01/19	20,138	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8076 Due 11/20/22	32,566	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 21564 Due 11/1/25	11,178	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 62667 Due 2/1/18	9,562	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 64731 Due 12/1/27	24,512	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA # 80362 Due 01/20/30	52,770	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA # 8302 Due 10/20/23	21,252	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80364 Due 01/20/30	22,066	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80470 Due 11/20/30	20,111	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80170 Due 2/20/28	57,037	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 254914 Due 9/1/2013	24,250	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 254989 Due 11/1/13	40,666	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA # 859285 Due 2/20/27	47,082	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #80478 Due 12/20/30	37,167	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8146 02/20/23	68,228	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA #8204 Due 03/20/17	54,377	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, 2012

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2012	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 654159 Due 10/1/32	395,485	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FHLMC # A84288 Due 1/1/39	723,122	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	GNMA # 714730 06/15/39	1,426,942	Federal Home Loan Bank Dallas, TX
Western Commerce Bank	FNMA # 725946 11/01/34	761,142	Federal Home Loan Bank Dallas, TX
		<u>3,906,533</u>	
Lea County State Bank	Univ NM Gallup 5% Due 06/01/15	500,000	Lea County State Bank
		<u>500,000</u>	
Wells Fargo Bank	FNMA 1027 04/01/42	20,977	Wells Fargo Bank Salt Lake City, UT
Wells Fargo Bank	FNAH9937 05/01/41	118,306	Wells Fargo Bank Salt Lake City, UT
Wells Fargo Bank	FNAI6900 10/01/26	212,311	Wells Fargo Bank Salt Lake City, UT
Wells Fargo Bank	FNAH3394 01/01/41	40,995	Wells Fargo Bank Salt Lake City, UT
Wells Fargo Bank	FNAI1163 04/01/40	118,779	Wells Fargo Bank Salt Lake City, UT
		<u>511,368</u>	
		<u>\$ 4,917,901</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, 2012

Deposit or Investment Account Type	Western Commerce Bank	Lea County State Bank	Wells Fargo Bank	Total
Checking	3,348,235	383,075	1,220,658	4,951,969
Checking	451,042		3,501,585	3,952,627
Checking	196,466	-		196,466
Checking	359,790	-	-	359,790
CD	19,425	-	2,851,247	2,870,672
CD	82,796	-	-	82,796
CD	8,849	-	-	8,849
CD	5,576	-	-	5,576
Fannie Mae Discount Note	-	-		-
Total on deposit	4,472,179	383,075	7,573,490	12,428,744
Reconciling items	(377,615)	(6,031)	(3,374)	(387,019)
Reconciled balance at June 30, 2012	<u>4,094,564</u>	<u>377,045</u>	<u>7,570,117</u>	<u>12,041,725</u>
	Cash and cash equivalents:			
				\$ 11,742,294
				\$ 299,183
				<u>\$ 12,041,477</u>

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Cash Reconciliation
 June 30, 2012

	Operational Account	Payroll Clearing	ERA Clearing/ NMPSIA	Transportation Account
Cash as reclassified, June 30, 2011	\$ 2,966,061	\$ 26,323	\$ 1,239,602	\$ 497
Add:				
2011-12 revenues	24,851,322	-	-	965,547
Prior year void warrants	-	-	-	-
Adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	27,817,383	26,323	1,239,602	966,044
Less:				
2011-12 expenditures	(24,688,947)	-	-	(965,647)
Refunds	-	-	-	-
Prior year outstanding loans	1,150,000	-	-	-
Change in clearing accounts	-	3,554	(18,577)	-
Investments*	-	-	-	-
Cash transfers	8,357	-	-	(248)
Miscellaneous	-	-	-	-
Current year loans (to) from other funds	(1,150,000)	-	-	-
Audit adjustments	(100,370)	-	-	-
Cash and investments, June 30, 2012	<u>\$ 3,036,423</u>	<u>\$ 29,877</u>	<u>\$ 1,221,025</u>	<u>\$ 149</u>

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

<u>Instructional Materials Account</u>	<u>Food Services Account</u>	<u>Athletics Account</u>	<u>Federal Flowthrough Account</u>	<u>Federal Direct Account</u>	<u>Activities</u>
\$ 2,224	\$ 384,390	\$ 160,137	\$ 189,673	\$ 3,944	\$ 295,882
142,583	1,429,386	86,149	1,544,105	405,943	335,332
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
144,807	1,813,776	246,286	1,733,778	409,887	631,214
(143,739)	(1,398,539)	(52,093)	(1,646,510)	(211,558)	(332,031)
-	-	-	-	-	-
-	-	-	(1,150,000)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(97,792)	-	-
-	-	-	-	-	-
-	-	-	1,150,000	-	-
-	-	-	194,214	(194,385)	-
\$ 1,068	\$ 415,237	\$ 194,193	\$ 183,690	\$ 3,944	\$ 299,183

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

STATE OF NEW MEXICO
 LOVINGTON MUNICIPAL SCHOOL DISTRICT
 Cash Reconciliation
 June 30, 2012

	<u>State Flowthrough</u>	<u>State Direct</u>	<u>Local or State</u>	<u>Spec. Cap. Outlay-State</u>
Cash as reclassified, June 30, 2011	\$ 296,402	\$ 46,921	\$ 5,440	\$ 75,000
Add:				
2011-12 revenues	81,095	161,140	23,400	-
Prior year void warrants	-	-	-	-
Adjustment	-	-	-	-
Loans from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash available	377,497	208,061	28,840	75,000
Less:				
2011-12 expenditures	(189,914)	(189,914)	(61,140)	-
Refunds	-	-	-	-
Prior year outstanding loans	-	-	-	-
Change in clearing accounts	-	-	-	-
Investments*	-	-	-	-
Cash transfers	-	-	-	-
Miscellaneous	-	-	-	(75,000)
Current year loans (to) from other funds	-	-	-	-
Audit adjustments	86,506	19,581	32,300	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and investments, June 30, 2012	<u>\$ 274,089</u>	<u>\$ 37,728</u>	<u>\$ -</u>	<u>\$ -</u>

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

Cap. Improv. HB-33	Cap. Improve - SB-9	Debt Service	Educational Technology Debt Service	Special Capital Outlay-Local	Total
\$ 2,516,327	\$ 2,065,012	\$ 2,663,785	\$ 59,712	\$ -	\$ 12,997,332
1,787,219	1,796,095	2,556,824	2	-	36,166,142
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,303,546	3,861,107	5,220,609	59,714	-	49,163,474
(1,947,732)	(1,820,226)	(2,429,074)	-	108,000	(35,969,064)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(15,023)
-	-	-	-	-	-
-	75,000	-	-	-	(89,683)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	37,846
<u>\$ 2,355,814</u>	<u>\$ 2,115,881</u>	<u>\$ 2,791,535</u>	<u>\$ 59,714</u>	<u>\$ 108,000</u>	<u>\$ 13,127,550</u>
			Agency cash		(299,183)
			Reconciled cash and investments		<u>\$ 12,828,367</u>
			Cash		\$ 11,742,294
			Investments		<u>1,086,073</u>
					<u>\$ 12,828,367</u>

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

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COMPLIANCE SECTION



**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, the business-type activities, the aggregate discretely presented components, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue 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, 2012 which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 5, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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.

Compliance and Other Matters

Alvins part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as item 2012-1, 2012-2, 2012-3, 2012-4, 2012-05, and 2012-06.

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, Lovington Municipal School Board, 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.

Hobbs, New Mexico
November 5, 2012



JOHNSON, MILLER & CO.

Certified Public Accountants

A Professional Corporation

An Independent Member Of BDO Seidman Alliance

Hobbs, New Mexico

Midland, Texas

Odessa, Texas

REPORT ON 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 Lovington Municipal School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material on each of the District's major federal programs for the year ended June 30, 2012. 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 considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-07 and 2012-08.

Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

The District's responses to the findings identified in our audit are described in the accompanying schedule of finding 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 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.

Hobbs, New Mexico
November 5, 2012

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<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 \$	699,471 (1)
USDA National School Breakfast Program	10.553	21000	456,108 (1)
Total Child Nutrition Cluster			<u>1,155,579</u>
Pass-Through State Department of Human Services			
USDA Commodities Program	10.550	21000	53,477
Total Commodities Program			<u>53,477</u>
Total U.S. Department of Agriculture			1,209,056
<u>U.S. Department of Education</u>			
Pass-Through State Department of Education			
Special Education Cluster:			
IDEA, Part B, Entitlement	84.027	24106	675,742 (1)
IDEA, Preschool	84.173	24109	40,045 (1)
IDEA-B "Risk Pool"	84.173	24120	5,838 (1)
Total Special Education Cluster			<u>721,625</u>
Title I Cluster			
ESEA Title I Basic	84.010	24101	718,372
Total Title I Cluster			<u>718,372</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, 2012

<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	31,270
Title III - English Language Acquisition	84.365	24153	27,175
Title II A	84.367	24154	122,892
Carl D. Perkins Secondary-Current	84.048	24174	22,065
Carl D. Perkins Redistribution	84.048	24176	3,110
Education Jobs-Federal Stimulus	84.410	25255	9,953
Total Other Grants			<u>216,465</u>
Total U.S. Department of Education			1,656,462
Total Federal Assistance			<u>\$ 2,865,518</u>

(1)-Denotes programs audited as major.

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

The District receives USDA Commodities for use in sponsorship of the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2012 was \$53,477 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, 2012

A. Summary of Audit Results

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes x No

Significant deficiency(ies) identified that are not considered to be material weakness(es): _____ Yes x No

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes x No

Significant deficiency(ies) identified that are not considered to be material weakness(es): _____ Yes x No

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes x No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553	National School Breakfast Program
10.555	National School Lunch Program
84.027	Special Education IDEA-B
84.173	Special Education IDEA-Preschool
84.173	Special Education IDEA-B Risk Pool

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? x Yes _____ No

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

B. Findings – Financial Statement Audit (continued)

2012-01 FAILURE TO SUBMIT REIMBURSEMENT REQUESTS IN A TIMELY MANNER-OTHER MATTER

Condition

The District did not submit reimbursement request for the GO Student Library Fund by the deadline required by PED and \$30,909 of expenditures were not reimbursed.

Criteria

According to the New Mexico Public Education Department, reimbursement requests for the fiscal year must be submitted by July 31st following the end of the year even if the grant period covers two fiscal years.

Cause

Program manager submitted reimbursement request, but it was not by the required deadline.

Effect

The District has not received \$30,909 in state funds and the fund cash deficit will need to be covered with an operational transfer.

Recommendation

We recommend that all requests be sent on a yearly basis by the required PED deadline.

Agency Response

The District will submit reimbursements in a timely manner.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

B. Findings – Financial Statement Audit (continued)

2012-2-LATE DEPOSITS-OTHER MATTER

Condition

One deposits of forty tested was not deposited within twenty-four hours.

Criteria

NMAC 6.20.2.14 C states “Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.”

Effect

The District is not in compliance with NMAC standards. Money not deposited within the twenty-four hours also has a greater chance of be misappropriated.

Cause

The check for one deposit was sent to the high school and the high school secretary only has the ability to deposit into activity funds. By the time the check was brought to the business office for deposit, more than 24 hours had elapsed.

Recommendation

We recommend that the District remind all staff members that collect or could collect funds of the twenty-four hour rule.

Agency Response

The State Agency (CYFD) notified the District that reimbursements will now be direct deposited into the District’s bank account which will negate the need for checks to be sent.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

B. Findings – Financial Statement Audit (continued)

2012-3- ACTIVITY DEPOSIT VERIFICATION-OTHER MATTER

Condition

Two deposits of forty tested did not contain dual signatures on deposit documentation verifying that proper internal controls were maintained.

Criteria

New Mexico Administrative Code 6.20.2.11 requires that every school district establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly

Effect

The District is not in compliance with NMAC standards. Deposits that do not contain dual signatures have a greater chance of being misappropriated.

Cause

Two deposits that were tested of a sample of forty did not contain the required dual signatures.

Recommendation

We recommend that the District remind all staff members that collect or could collect funds to provide documentation of two persons counting and verifying funds received.

Agency Response

The Business Manager reminded staff members to get 2 signatures for proper documentation.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

B. Findings – Financial Statement Audit (continued)

2012-4 PED CASH REPORT–OTHER MATTER

Condition

Cash balances on the cash report submitted to the New Mexico Public Education Department at June 30, 2012 do not match the cash recorded in the general ledger account for the following items:

	General Ledger	PED Cash Report	Difference
Federal flowthrough	211,017	(938,983)	(1,150,000)

Criteria

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

Cause

The total outstanding loan to the federal account of \$1,150,000 was not entered as an outstanding balance on the interfund loan line as of June 30, 2012. The interfund loan amount did not net to zero on the cash report, but the amount was removed as an outstanding item in the reconciliation on the last page of the report.

Effect

The cash reported to PED was understated by the total of the interfund loan. This did not affect the total cash available to budget.

Recommendation

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

Agency Response

The Business Manager has corrected the cash report.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

B. Findings – Financial Statement Audit (continued)

2012-05 EMPLOYMENT ELIGIBILITY DOCUMENTATION–OTHER MATTER

Condition

The required form for employment eligibility documentation, the IRS I-9, was not completed correctly for five of the forty employees tested.

Criteria

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

Cause

The employees tested began employment before additional training for HR personnel was implemented. Corrected forms have not been obtained for employees beginning before that time period.

Effect

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

Recommendation

We recommend that the District review all I-9's and obtain corrected forms for any that were not properly completed.

Agency Response

The District will review old I-9s and obtain corrected forms for any that were not properly filled out.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

B. Findings – Financial Statement Audit (continued)

2012-06 MINIMUM WAGE VIOLATION-OTHER MATTER

Condition

Two employees for the District were paid less than the State of New Mexico's minimum wage requirement of \$7.50 per hour.

Criteria

The New Mexico minimum wage requirement is \$7.50 per hour.

Cause

Payroll information for employees with a signed contract is entered as a yearly amount.

Effect

The District is not in compliance with State laws and could be required to pay the difference pay.

Recommendation

We recommend reviewing minimum wage requirements and reviewing lower paid workers for any violations.

Agency Response

The District had discovered and corrected this violation before the audit.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

C. Federal Award Findings and Questioned Costs (continued)

2012-07 ERB WITHHOLDING VIOLATION-OTHER MATTER

Condition

During our audit of Special Education, IDEA-B; CFDA No. 84.027 (Department of Education funds passed through the New Mexico Department of Public Education), we noted that the District withheld an employee's ERB at the less than \$20,000 rate when the employee's salary was over \$20,000.

Questioned Costs

\$0

Criteria

According to the New Mexico Education Retirement Board, withholding and contribution rates are set for salary amounts over and under \$20,000.

Cause

The employee began as a part-time employee and initial set up included rates for a salary expectation of under \$20,000. The rate was not changed when the employee began full-time employment.

Effect

The District is not in compliance with ERB withholding rates.

Recommendation

We recommend that the District review all employees paid under \$20,000 to ensure that the correct ERB rates are entered into the payroll module.

Agency Response

The District will review all employees that change positions during the year to ensure that the correct ERB rates are applied.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

C. Federal Award Findings and Questioned Costs (continued)

2012-08 CAPITAL OUTLAY AUTHORIZATION-OTHER MATTER

Condition

During our audit of Special Education, IDEA-B Preschool; CFDA No. 84.173 (Department of Education funds passed through the New Mexico Department of Public Education), we noted that the District did not obtain authorization for purchases of two copiers over \$4,999.

Questioned Costs

\$0

Criteria

Authorization of capital purchases is required by the New Mexico PED for this grant.

Cause

There was a delay processing the request since the District was deciding whether to pay out of operational funds or use grant funds to purchase the copiers.

Effect

The District is not in compliance with grant requirements. The District could lose funding if not in compliance with grant requirements.

Recommendation

The District should obtain permission for all further purchases of capital assets.

Agency Response

The District will obtain permission for purchases of capital assets.

STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS

Schedule of Findings and Questioned Costs
June 30, 2012

D. Findings – Prior Year Audit

2007-04	Overspending of Certain Budget Line Items	Resolved and Not Repeated
2008-09	Cash Management-Compliance Requirement	Resolved and Not Repeated
2009-01	Expenditures Beyond Revenues/Deficit Balance	Resolved and Not Repeated

**STATE OF NEW MEXICO
LOVINGTON MUNICIPAL SCHOOLS**

**Exit Conference
June 30, 2012**

The contents of this report were discussed at an exit conference held October 24, 2012. Mary Hinds, CPA Partner; and Shellie Davidson, CPA On-Site Manager, represented Johnson, Miller & Co, CPA; Pam Lackey, CPA, Audit Committee Member; Steven L. O'Quinn, Superintendent; LeAnne Ellis, Assistant Superintendent; Sheri Belyeu, CPA, Business Manager; Neva Byrd, Director of Special Programs, and LaRhonda Kidd, Board Member 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, 2012 by Johnson, Miller & Co., Certified Public Accountants, a Professional Corporation.