

**STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS**

**Basic Financial Statements and
Required Supplementary Information
For the Year Ended June 30, 2010
and Independent Auditors' Report**

**STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS**

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JUNE 30, 2010**

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**STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS**

OFFICIAL ROSTER

BOARD OF EDUCATION

Mary Lou Kern
Karl Shubert
Clinton Kuchan
Dustin Long
Clifford Frank Taylor

President
Vice President
Secretary / Treasurer
Member
Member

SCHOOL OFFICIALS

Dr. Joe Charles Harrison
Susan Robinson
Yolanda Trujillo

Superintendent
Business Manager
Administrative Assistant

INDEPENDENT AUDITOR'S REPORT

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of Maxwell Municipal Schools

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 the aggregate remaining fund information of the District, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined in necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statement and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

White + Sarroniego + Campbell, LLP

El Paso, Texas
October 14, 2010

BASIC
FINANCIAL STATEMENTS

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 313,024
Taxes receivable	1,042
Due from grantor	12,165
Inventory	<u>2,586</u>
Total current assets	<u>328,817</u>
Non-current assets	
Land (non-depreciable)	307,309
Capital assets (depreciable)	5,939,226
Less accumulated depreciation	<u>(2,607,597)</u>
Total non-current assets	<u>3,638,938</u>
Total assets	<u>\$ 3,967,755</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 4,623
Accrued interest	603
Deferred revenue	83,829
Current portion of long-term obligations	<u>25,000</u>
Total current liabilities	114,055
Long-term obligations	
Compensated absences	7,859
Non-current portion of long-term obligations	<u>30,000</u>
Total long-term liabilities	<u>37,859</u>
Total liabilities	<u>151,914</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,583,938
Restricted for	
Cafeteria fund (inventory)	2,586
Debt service	30,496
Unrestricted	<u>198,820</u>
Total net assets	<u>\$ 3,815,840</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes Net Assets	
		Charges for Service	Operating Grants and Contributions		Capital Grants and Contributions
Expenses:					
Governmental Activities:					
Direct instruction	\$ 1,155,290	\$ 16,685	\$ 260,607	\$ 23,851	\$ (854,147)
Instructional support	860,357	-	216,032	-	(644,325)
Food services	73,702	2,559	27,328	-	(43,815)
Depreciation - unallocated	193,965	-	-	-	(193,965)
Interest on long-term obligations	603	-	-	-	(603)
Total governmental activities	<u>2,283,917</u>	<u>19,244</u>	<u>503,967</u>	<u>23,851</u>	<u>(1,736,855)</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes					4,548
Property taxes, levied for capital projects					22,299
Property taxes, levied for debt services					26,326
Federal and state aid not restricted to specific purpose					1,581,516
Interest and investment earnings					<u>115</u>
Subtotal, general revenue					1,634,804
Change in net assets					(102,051)
Net assets - beginning of year, as previously reported					3,731,556
Restatement					<u>186,336</u>
Net assets - beginning of year, as restated					<u>3,917,892</u>
Net assets - end of year					<u>\$ 3,815,841</u>

See accompanying notes to financial statements.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS
 JUNE 30, 2010

	General Fund	Wellness Center Fund	Other Governmental Funds	Total
ASSETS				
Cash	\$ 175,585	\$ 78,681	\$ 58,758	\$ 313,024
Taxes receivable	77	-	965	1,042
Accounts receivable, collectible	-	-	-	-
Inventory	-	-	2,586	2,586
Due from grantor	-	-	12,165	12,165
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 175,662	\$ 78,681	\$ 74,474	\$ 328,817
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,623	\$ -	\$ -	\$ 4,623
Due to other funds	-	-	-	-
Deferred revenues	-	78,681	5,148	83,829
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	4,623	78,681	5,148	88,452
Fund balances:				
Reserved for retirement of long-term debt	-	-	30,496	30,496
Reservation for inventory	-	-	2,586	2,586
Unreserved:				
Undesignated, reported in:				
General fund	171,039	-	-	171,039
Special revenue fund	-	-	8,065	8,065
Capital projects funds	-	-	28,178	28,178
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	171,039	-	69,325	240,364
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 175,662	\$ 78,681	\$ 74,473	\$ 328,816

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

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

Fund balances - total governmental funds	\$ 240,364
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,638,938
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest	(603)
Accrued compensated absences	(7,859)
General obligation bonds	<u>(55,000)</u>
Total net assets - governmental funds	<u>\$ 3,815,840</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Wellness Center Fund	Other Governmental Funds	Total
REVENUES				
Taxes	\$ 4,548	\$ -	\$ 48,625	\$ 53,173
Charges for services	3,188	-	16,056	19,244
Local sources	1,753	-	-	1,753
State sources	1,663,702	33,670	64,883	1,762,255
Federal sources	2,374	-	342,952	345,326
Earnings from investments	106	-	9	115
	<u>1,675,671</u>	<u>33,670</u>	<u>472,525</u>	<u>2,181,866</u>
Total revenues				
EXPENDITURES				
Current:				
Direct instruction	917,638	-	241,931	1,159,569
Instructional support	685,712	33,670	140,976	860,358
Food services	20,896	-	52,806	73,702
Capital outlay	-	-	17,027	17,027
Debt services:				
Principal payments	-	-	25,000	25,000
Interest	-	-	2,958	2,958
	<u>1,624,246</u>	<u>33,670</u>	<u>480,698</u>	<u>2,138,614</u>
Total expenditures				
Net change in fund balance	51,425	-	(8,173)	43,252
Fund balance - beginning of year	119,614	-	77,498	197,112
Fund balance - end of year	<u>\$ 171,039</u>	<u>\$ -</u>	<u>\$ 69,325</u>	<u>\$ 240,364</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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

Fund balances - total governmental funds \$ 43,252

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation expense exceeds capital outlays in the period

Depreciation expense (193,965)
Capital outlay 17,026

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.

Decrease in accrued interest 2,355
Decrease in accrued compensated absences 4,280
Principal payment on bond 25,000

Change in net assets of governmental activities \$ (102,052)

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

GENERAL FUND COMBINED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ 4,813	\$ 4,813	\$ 4,548	\$ (265)
Charges for services	2,853	2,853	3,188	335
Local sources	-	-	1,753	1,753
State sources	1,661,606	1,663,687	1,663,702	15
Federal sources	-	-	2,374	2,374
Earnings from investments	200	200	106	(94)
Total revenues	1,669,472	1,671,553	1,675,671	4,118
Expenditures:				
Current:				
Direct instruction	988,985	963,309	917,638	45,671
Instruction support	714,687	742,577	690,269	52,308
Food services	24,878	24,878	20,896	3,982
Capital outlay	6,163	6,033	-	6,033
Total expenditures	1,734,713	1,736,797	1,628,803	51,704
Net change in fund balance	(65,241)	(65,244)	46,868	55,822
Fund balance - beginning of year	119,606	119,606	119,606	-
Fund balance - end of year	\$ 54,365	\$ 54,362	\$ 166,474	\$ 55,822
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 46,868	
Net revenue accruals			-	
Net expenditure accruals			4,557	
Net changes in fund balance GAAP basis			\$ 51,425	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

WELLNESS CENTER FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	57,291	112,291	33,670	(78,621)
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	57,291	112,291	33,670	(78,621)
Expenditures:				
Current:				
Direct instruction	-	-	-	-
Instruction support	57,291	112,291	33,670	78,621
Food services	-	-	-	-
Total expenditures	57,291	112,291	33,670	78,621
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

FIDUCIARY FUNDS FINANCIAL STATEMENTS

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
JUNE 30, 2010

ASSETS

Current Assets:

Cash \$ 19,148

Total assets \$ 19,148

LIABILITIES

Current Liabilities

Deposits held in trust for others \$ 19,148

Total liabilities \$ 19,148

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Maxwell Municipal Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Maxwell Municipal Schools School Board was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units as defined by GASB Statement No. 14 as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

B. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types.

Governmental Funds

Under the requirements of GASB 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund):

General Fund - the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Fund - Wellness Center - to account for resources received to provide for integrated primary care and behavioral health (mental health and substance abuse) services to all students in conjunction with the New Mexico Department of Health.

Other funds of the School District follow:

Agency Funds - account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School Activity Fund - accounts for assets held by the District as an agent for the individual schools and school organizations.

The District also reports additional Governmental funds as nonmajor. They include:

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

Capital Project Funds - these funds are used to account for the acquisition of capital assets or construction of major capital projects.

Debt Service Fund - to account for resources received for the purpose of paying general obligation bonds and interest coupons. Funds are received from property taxes levied against property located within the School District and levied specifically for this purpose.

All government-wide financial statements for the School District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Measurement Focus, Basis of Accounting

Government-Wide Financial statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the

requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-Exchange Transactions.

Program Revenues

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 revenue are reported instead as general revenues.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable within a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i. e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

REVENUES

Ad valorem taxes (property taxes) are susceptible to full accrual on the government wide financial statements. Property tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied. Total delinquent property taxes were not available from the County Treasurer for the current year.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the

susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

EXPENDITURES

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

OTHER FINANCING SOURCES (USES)

Transfers between funds are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

D. Budgets

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Department of Education a proposed operating budget for the school district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the school district shall contain headings and details as as described by law and have been approved by the Public Education Department.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Maxwell Municipal Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflects the approved budget and amendments thereto.

E. Assets, Liabilities and Net Assets or Equity

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

The District is authorized under the provisions' of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Deposits and Investments— all money not immediately necessary for the public uses of the District may be invested in:

(a) Bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding; or

(b) Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) In contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investments.

If the District is unable to receive payment on public money at the rate of interest set forth by the State Board of Finance (which is no less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit) from financial institutions within the geographic boundaries of the governmental unit, the District may invest its money with the New Mexico State Treasurer's short-term investment pool.

Accounts Receivables—Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report property taxes at full accrual was not available during the year.

Inventory—Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Capital Assets—Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Assets	Years
Buildings and building improvements	5-50
Furniture and equipment	5 to 20
Land improvements	20

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30, 2010.

The District does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the District does not capitalize library books unless they exceed the \$5,000 threshold.

Deferred Revenues—The District reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences—Qualified employees are entitled to accumulate annual leave to 20 days per fiscal year. All earned vacation must be taken within one year after it is earned. Upon termination, employees will be paid for up to 20 days of accrued annual leave.

Sick pay does not vest and is recorded as an expenditure when it is paid.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net assets.

Long Term Obligations—In the government-wide fund financial statements, long term obligations 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt issued is 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.

Fund Balance of Fund Financial Statements—Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the year-end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

Salaries and Wages—Pursuant to the instructions contained in the Manual of Procedures for Uniform Accounting and Budgeting for New Mexico School Districts, the School District issues all payroll checks by the end of the fiscal year. Some of these checks are delivered to the employee subsequent to the end of the fiscal year. All of these checks are recorded and

included in the financial statements as expenditures and a reduction of cash.

Restricted Net Assets—For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets used are either:

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

Imposed by law through constitutional provisions or enabling legislation.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Inter-fund Transactions—Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Equity Classification—The government-wide financial statements utilize a net assets presentation. Net assets are categorized as follows:

Investment in capital assets, net of related debt—This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets—This category reflects the portion of net assets that have third party limitations on their use.

Unrestricted net assets—This category reflects net assets of the District, not restricted for any project or other purpose.

Fund Equity—In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted. Designations represent tentative managerial plans that are subject to change. Fund equity was reserved or designated for:

Reserved, designated for subsequent year's expenditures—Represents the amounts, other than carryover expenditures, which are required to be designated for subsequent year's expenditures.

Unreserved, undesignated—Amounts that have not been reserved or designated for any purpose. These funds are available for unrestricted use by the District.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities

and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

- F. *New Accounting Pronouncements* - In June 2008, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53 Accounting and Financial Reporting for Derivative Instruments, which is effective for all periods beginning after June 15, 2009. This Statement is intended to improve how governments report information about derivative instruments. The District incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010, and earlier application is encouraged. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The District is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 55 The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which was effective upon issuance. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles for state and local governments into the Governmental Accounting Standards Board's authoritative literature. The District incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 56 Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, which was effective upon issuance. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. The District incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In December 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 57 OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, which is effective upon issuance for certain provisions of the statement and for periods beginning after June 15, 2011 for other provisions. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans. The District is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

2. DEPOSIT AND INVESTMENTS

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

District properly followed State investment requirements as of June 30, 2010.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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.

The types of collateral allowed are limited to direct obligations of the United States Government or agency, districts or political subdivisions of the States of New Mexico.

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

Deposits:

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 School District for at least one half of the amount 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.

	Wells Fargo Bank
Cash on deposit at June 30, 2010	\$ 519,388
FDIC coverage	<u>(250,000)</u>
Total uninsured public funds	<u>\$ 269,388</u>
Pledged collateral	\$ 541,684
Collateral requirement (50% of uninsured public funds)	<u>134,694</u>
Over collateralization	<u>\$ 406,990</u>

Custodial Credit Risk-Deposits—Custodial Credit Risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2010, \$269,388 of the District's bank balance of \$519,388 was exposed to custodial credit risk because or was uninsured and the collateral was held by the pledging bank's trust department, not in the District's name. At June 30, 2010, the carrying amount of these deposits was \$332,172.

Reconciliation of Cash and Cash Equivalents

Cash and cash equivalents per Governmental Funds - Balance Sheet	\$ 313,024
Statement of Fiduciary Net Assets - cash	<u>19,148</u>
	332,172
 Add outstanding checks and other reconciling items	 <u>187,216</u>
 Bank balance of deposits and investments	 <u>\$ 519,388</u>

Credit and Interest Rate Risk

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District's investment policy limits the School District's investment portfolio to maturities of less than one year.

3. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2010, are as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
State grant	\$ 12,165	\$ -	\$ 12,165
Property taxes	<u>77</u>	<u>965</u>	<u>1,042</u>
 Total	 <u>\$ 12,242</u>	 <u>\$ 965</u>	 <u>\$ 13,207</u>

4. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2010 is as follows:

	Balance June 30, 2009	Adjustments	Additions	Retirements	Balance June 30, 2010
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 307,309	\$ -	\$ -	\$ -	\$ 307,309
Total capital assets not being depreciated	<u>307,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>307,309</u>
Capital assets being depreciated:					
Buildings & building improvements	5,044,239	-	17,026	-	5,061,265
Land improvements	297,918	-	-	-	297,918
Furniture & equipment	<u>580,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,043</u>
Total capital assets being depreciated	<u>5,922,200</u>	<u>-</u>	<u>17,026</u>	<u>-</u>	<u>5,939,226</u>

Less accumulated depreciation for:					
Buildings & building improvements	2,031,511	-	123,454	-	2,154,965
Land improvements	157,074	-	21,890	-	178,964
Furniture & equipment	411,383	(186,336)	48,621	-	273,668
	<u>2,599,968</u>	<u>(186,336)</u>	<u>193,965</u>	<u>-</u>	<u>2,607,597</u>
Total accumulated depreciation					
Total capital assets being depreciated, net	<u>3,322,232</u>	<u>186,336</u>	<u>(176,939)</u>	<u>-</u>	<u>3,331,629</u>
Governmental activities capital assets, net	<u>\$ 3,629,541</u>	<u>\$ 186,336</u>	<u>\$ (176,939)</u>	<u>\$ -</u>	<u>\$ 3,638,938</u>

Depreciation expense for the year ended June 30, 2010 was \$193,965 and was not allocated by function.

5. LONG TERM OBLIGATIONS

The District issues a general obligation bond to provide funds for the acquisition and construction of major capital facilities. The amount of the general obligation bond issued in April 15, 1999 was \$250,000. The general obligation bond is direct obligation and pledge the full faith and credit of the District. This bond is issued with varying terms and varying amounts of principal maturing each year. The bond as of June 30, 2010 is for governmental activities.

The following is a summary of the long-term debt and the activity for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
Governmental Activities:					
Bonds payable	80,000	-	(25,000)	55,000	25,000
Compensated absences	12,138	7,859	(12,138)	7,859	-
	<u>92,138</u>	<u>7,859</u>	<u>(37,138)</u>	<u>62,859</u>	<u>25,000</u>
Total governmental activities	<u>\$ 92,138</u>	<u>\$ 7,859</u>	<u>\$ (37,138)</u>	<u>\$ 62,859</u>	<u>\$ 25,000</u>

The general obligation bonds will be paid from taxes against property owners living within the School District boundaries. The annual requirements to retire general obligation bonds as of June 30, are as follows:

Years ending June 30,	Principal	Interest	Total
2011	\$ 25,000	\$ 1,867	\$ 26,867
2012	30,000	660	30,660
	<u>\$ 55,000</u>	<u>\$ 2,527</u>	<u>\$ 57,527</u>

Payments on the general obligation bonds are made by the debt service funds.

The compensated absences liability will ultimately be liquidated by several of the Districts governmental funds, with the majority being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

6. REVENUES

A. Property Tax Levies

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund and SB-9 Capital Improvement Fund. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after 30 days. Taxes on real property are liens on the property on January 1 of the year for which the taxes are imposed.

B. State Equalization Guarantee

Each school district in the State of New Mexico receives 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 8-25, 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/multi-cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$1,581,516 in state equalization guarantee distributions during the year ended June 30, 2010.

C. Transportation Distribution

Money in the transportation distribution of the public school fund 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 the grades K through twelve attending public school within the school district. Except in unusual circumstances as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for funding in excess of twenty miles one way.

Money in the vocational education transportation distribution of the public school fund is used for the purpose of making payments to school districts for transportation of students to

and from their regular attendance centers and the place where vocation education programs are being offered, pursuant to Section 22-16-4.1 (NMSA 1978) of the Act. The transportation distribution is allocated to each school district according to an objective formula developed by the state transportation director and the director of public school finance.

In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, each school district to receive an allocation shares in a reduction in the proportion that each school district's forty-day average daily membership bears to the forty-day average daily membership of all school districts to receive allocations.

Local school boards shall negotiate school bus contracts in accordance with regulations promulgated by the state transportation director with the approval of the State Board of Education.

Local school boards, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-2 NMSA 1978 to meet established program needs. The District received \$78,558 in transportation distribution during the year ended June 30, 2010.

D. SB-9 State Match

The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$23,675 in state SB-9 matching during the year ended June 30, 2010.

E. Public School Capital Outlay

Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the available resources to outlay requirements; school district have provided all the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner.

4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and

5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2010, the District received \$176 in special capital outlay funds.

F. Instructional Materials

The New Mexico State Department of Education (Department) received federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Beginning with the fiscal year ended June 30, 2009, Districts received their total allocation at the beginning of the fiscal year, instead of being reimbursed for purchases as was done in the prior year. During the year ended June 30, 2010, the District received \$3,628 in instructional materials allocation.

G. Federal Grants

The District receives revenues from various Federal departments (both direct and indirect) which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Department of Education.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food service operations, and distributions of commodities through the New Mexico Human Services Department.

7. **DEFERRED REVENUE**

In accordance with the terms of the various grants agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to grantor.

8. HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

Certain special revenue (federal) funds of the district were administered by the High Plains Regional Educational Cooperative, in Raton, New Mexico. These funds are audited separately by another IPA. That report may be obtained by writing to: High Plains REC, 130 Park Avenue, Raton, New Mexico, 87740.

9. DUE FROM GRANTOR

The amount shown as due from grantor represents federal, state and local expenditures in excess of revenues. Most federal, state or local projects earn revenue as expenditures are incurred and are subsequently reimbursed by the grantor.

10. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and Workmen Compensation. For these risks of loss, the School District belongs' to a public entity risk pool currently operated as a common risk management and insurance program for 89 member School Districts. (New Mexico Public School Insurance Authority) Amounts of settlement have not exceeded insurance coverage in the past three years.

11. ERA PENSION PLAN

Plan Description. Substantially all of the Maxwell Municipal Schools 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 (ERA) 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). ERA 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 ERA, PO Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERA's website at www.nmerb.org.

Funding Policy. Plan members are required to contribute 7.825% of their gross salary. Maxwell Municipal Schools is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Maxwell Municipal Schools are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Maxwell Municipal Schools contributions to ERA for the years ending June 30, 2010, 2009 and 2008 were \$125,420, \$147,161, and \$141,214 respectively, which equals the amount of the required contributions for each fiscal year.

12. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description. Maxwell Municipal Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provided 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 employers 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 post-employment healthcare plan. The report and further information can be obtained by writing to Retiree Health Care Authority, 4308 Carlisle Boulevard, Suite 104, Albuquerque, New Mexico 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorized 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 for the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmchca.state.nm.us.

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

Employers joining the program after 01/01/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Maxwell Municipal Schools contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$14,939, \$16,423, and \$16,843, respectively, which equal the required contributions for each year.

13. **RESTATEMENTS**

As of June 30, 2009, the District understated its capital assets by overstating accumulated depreciation by \$186,336. Net assets have been restated as of June 30, 2010 to correct the prior year error.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue	Capital Projects	Debt Service	Total
ASSETS				
Cash on deposit	\$ 4,190	\$ 24,507	\$ 30,061	58,758
Taxes receivable	-	530	435	965
Accounts receivable	-	-	-	-
Inventory, at cost	2,586	-	-	2,586
Due from grantors	9,024	3,141	-	12,165
Total assets	<u>\$ 15,800</u>	<u>\$ 28,178</u>	<u>\$ 30,496</u>	<u>\$ 74,474</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deferred revenue	5,148	-	-	5,148
Total liabilities	5,148	-	-	5,148
Fund balances:				
Reserve for retirement of long-term debt	-	-	30,496	30,496
Reserved for inventory	2,586	-	-	2,586
Unreserved	8,065	28,178	-	36,243
Total fund balance	<u>10,651</u>	<u>28,178</u>	<u>30,496</u>	<u>69,325</u>
Total liabilities and fund balances	<u>\$ 15,799</u>	<u>\$ 28,178</u>	<u>\$ 30,496</u>	<u>\$ 74,473</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue	Capital Projects	Debt Service	Total
Revenues:				
Taxes	\$ -	\$ 22,299	\$ 26,326	\$ 48,625
Charges for services	16,056	-	-	16,056
State share of taxes	-	-	-	-
Local sources	-	-	-	-
State sources	41,032	23,851	-	64,883
Federal sources	342,952	-	-	342,952
Earnings from investments	9	-	-	9
Total revenues	400,049	46,150	26,326	472,525
Expenditures:				
Current:				
Direct instruction	241,931	-	-	241,931
Instructional support	105,636	35,340	-	140,976
Food services	52,806	-	-	52,806
Capital outlay	-	17,027	-	17,027
Debt services:				
Principal payments	-	-	25,000	25,000
Interest	-	-	2,958	2,958
Total expenditures	400,373	52,367	27,958	480,698
Net changes in fund balances	(324)	(6,217)	(1,632)	(8,173)
Fund balance - beginning of year	10,975	34,395	32,128	77,498
Fund balance - end of year	\$ 10,651	\$ 28,178	\$ 30,496	\$ 69,325

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local Funded grants. These grants are awarded to the District with the purpose of accomplishing specific education tasks. Grants accounted for in the Special Revenue Funds include:

CAFETERIA (21000) - This program provides financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 Stat. 889, as amended; 84 Stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 Stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 Stat. 3341; Public Law 100-71, 101 Stat. 430. Also State Law NMSA 22-13-13.

ATHLETICS (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

TITLE I - (24101 ENTITLEMENT), (24201 FEDERAL STIMULUS) – The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

IDEA-B ENTITLEMENT SPECIAL (24106) – is used 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 Individuals with Disabilities Education Act, Part B, Section 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.

IDEA-B PRESCHOOL (24109), (29209 FEDERAL STIMULUS) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

IDEA-B RISK POOL (24120) – Risk Pool Fund is for the high cost risk pool or state level activity “U” of the Basic IDEA-B grant.

INNOVATIVE EDUCATION PROGRAM STRATEGIES (24150) - To account for grant funds to help combat illiteracy among children through a reading program. Also, through the acquisition and use of instructional materials. Financing and authority is provided by Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

IMPROVING TEACHER QUALITY (24154) - To account for grant funds to increase student academic achievement through strategies such as improving teacher and principal quality. Financing and authority is Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law

107-110.

SAFE AND DRUG-FREE SCHOOLS FUND (24157) - The Drug-Free Schools program was enacted to provide funding to local agencies for drug and alcohol abuse prevention and education programs. Funding is provided by the Federal Government through the New Mexico State Department of Education, under the Drug-Free Schools and Communities Act of 1986, Title V, Part B; Elementary and Secondary Education Act, as amended, Public Laws 99-570-100-297, 100-690, 101-226, and 101-647.

21ST CENTURY (24159 Century Community Living Center) (27167 Century Living Center) - To provide expanded learning opportunities for participating children in a safe, drug free and supervised environment. Funding is authorized under Title X, Part I, of the Elementary and Secondary Education Act of 1965.

IDEA-B ENTITLEMENT IDEA-B - STIMULUS (24206) - To account for Entitlement IDEA-B Federal stimulus funds. Funding authority is ARRA.

MEDICAID (25153) - 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 developmental outcomes for children.

RURAL EDUCATIONAL ACHIEVEMENT PROGRAM (REAP) (25233) - To account for monies received to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning. Financing and authority for this program is contained in Title VI, Part B of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by Public Law 107-110.

STATE EQUALIZATION GUARANTEE - STIMULUS (25250) - Education funds provided through the American Recovery and Reinvestment Act (ARRA) provide a unique opportunity to jump start school reform and improvement efforts while also saving and creating jobs and stimulating the economy.

A PLUS FOR EDUCATION (26179) - Local grant which supports and rewards teachers who implement innovative energy education activities in the classroom.

DUAL CREDIT IM/HB2 (27103) - To account for monies received to purchase course materials for dual credit college classes.

GO BOND (27105), GO BOND LIBRARY (27170) - To account for monies received from the SB301, Laws of 2006 to be used to improve the library, acquire library books or library resources that support the library program.

TECHNOLOGY FOR EDUCATION (27117) - To account for State funding which is to be used by the District to promote the comprehensive integration of advanced technologies in education settings, through the conduct of technical assistance, professional development, information and resource dissemination, and collaboration activities. Financing and Authority is provided by NMSA 22-15A-1.

BEGINNING TEACHER MENTORING PROGRAM (27154) - To account for monies appropriated by the State Legislature to be used for stipends to mentors, for professional development opportunities, release time; including payment of substitutes, materials and supplies and for minor administrative costs. Financing and authority is provided by the State Legislature.

LIBRARY BOOK (27549) - To account for funds received from the New Mexico Public Education Department for purchasing library books. Fund and Authority is provided by Senate Bill 471, Laws of

2008.

LANGE FOUNDATION (29102) - To account for resources received from the Lura-Lee and William E. Lange Foundation to fund a trip to Costa Rica under the Maxwell's Adventures in Travel Program (MAP) to enhance "experiential education" for the eighth grade class. Funding is provided by the Lange Foundation.

VALUE OPTION DOH (29131) - For programs to provide substance abuse treatment services. The fund was created by grant provisions.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Special Revenue Funds						
	Cafeteria 21000	Athletics 22000	Title I 24101 & 24201	IDEA-B Entitlement 24106	IDEA-B Preschool 24109	IDEA-B Risk Pool 24120	Innovative Education Program Strategies 24150
ASSETS							
Cash on deposit	\$ 7,511	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Inventory, at cost	2,586	-	-	-	-	-	-
Due from grantor	-	-	-	-	-	-	-
Total assets	\$ 10,097	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances:							
Reserve for inventory	2,586	-	-	-	-	-	-
Unreserved	7,511	555	-	-	-	-	-
Total fund balance	10,097	555	-	-	-	-	-
Total liabilities and fund balances	\$ 10,097	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ -

Continued

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Special Revenue Funds							
	Improving Teacher Quality 24154	Safe & Drug- Free Schools 24157	21 St Century 24159 & 27167	IDEA-B Entitlement Stimulus 24206	Medicaid 25153	REAP 25233	State Equalization Guarantee - Stimulus 25250	A Plus for Education 26179
ASSETS								
Cash on deposit	\$ (464)	\$ -	\$ -	\$ -	\$ 1,688	\$ -	\$ (7,200)	\$ -
Taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Due from grantors	464	-	-	-	-	-	7,200	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 1,688	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-	1,688	-	-	-
Total liabilities	-	-	-	-	1,688	-	-	-
Fund balances:								
Reserve for inventory	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	(1)	-	-	-
Total fund balance	-	-	-	-	(1)	-	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ 1,687	\$ -	\$ -	\$ -

Continued

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Special Revenue Funds							
	Dual Credit IM/IB2 27103	GO Bond 27105 & 27170	Technology for Education 27117	Beginning Teacher Mentoring 27154	Library Book 27549	Lange Foundation 29102	Value Option DOH 29131	Total Special Revenue Funds
ASSETS								
Cash on deposit	\$ -	\$ (1,360)	\$ 168	\$ -	\$ -	\$ 3,292	\$ -	\$ 4,190
Taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	2,586
Due from grantor	-	1,360	-	-	-	-	-	9,024
Total assets	\$ -	\$ -	\$ 168	\$ -	\$ -	\$ 3,292	\$ -	\$ 15,800
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	168	-	-	3,292	-	5,148
Total liabilities	-	-	168	-	-	3,292	-	5,148
Fund balances:								
Reserved for inventory	-	-	-	-	-	-	-	2,586
Unreserved	-	-	-	-	-	-	-	8,065
Total fund balances	-	-	-	-	-	-	-	10,651
Total liabilities and fund balances	\$ -	\$ -	\$ 168	\$ -	\$ -	\$ 3,292	\$ -	\$ 15,799

Concluded

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Special Revenue Funds						
	Cafeteria 21000	Athletics 22000	Title I 24101 & 24201	IDEA-B Entitlement 24106	IDEA-B Preschool 24109 & 24209	IDEA-B Risk Pool 24120	Innovative Education Program Strategies 24150
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,559	4,097	-	-	-	-	-
State share of taxes	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	27,328	-	38,286	38,562	2,874	171	137
Earnings from investments	1	8	-	-	-	-	-
Total revenues	29,888	4,105	38,286	38,562	2,874	171	137
Expenditures:							
Current:							
Direct instruction	-	5,355	38,286	25,986	32	-	-
Instructional support	-	-	-	12,576	2,843	171	137
Food services	28,961	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	28,961	5,355	38,286	38,562	2,875	171	137
Net changes in fund balances	927	(1,250)	-	-	(1)	-	-
Fund balance - beginning of year	9,170	1,805	-	-	-	-	-
Fund balance - end of year	\$ 10,097	\$ 555	\$ -	\$ -	\$ (1)	\$ -	\$ -

Continued

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Special Revenue Funds							
	Improving Teacher Quality 24154	Safe & Drug- Free Schools 24157	21 St Century 24159 & 27167	IDEA-B Entitlement Stimulus 24206	Medicaid 25153	REAP 25233	State Equalization Guarantee - Stimulus 25250	A Plus for Education 26179
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	-	-	-	-	-	-	-	-
State share taxes	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	5,000
Federal sources	3,450	246	91,319	12,025	13,689	12,588	102,277	-
Earnings from investments	-	-	-	-	-	-	-	-
Total revenues	3,450	246	91,319	12,025	13,689	12,588	102,277	5,000
Expenditures:								
Current:								
Direct instruction	3,274	246	89,848	2,470	-	10,908	45,203	5,000
Instructional support	176	-	1,471	9,555	13,689	1,680	33,229	-
Food services	-	-	-	-	-	-	23,845	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	3,450	246	91,319	12,025	13,689	12,588	102,277	5,000
Net changes in fund balances	-	-	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Continued

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Special Revenue Funds							Total Special Revenue Funds
	Dual Credit IM/HB2 27103	GO Bond 27105 & 27170	Technology for Education 27117	Beginning Teacher Mentoring 27154	Library Book 27549	Lange Foundation 29102	Value Option DOH 29131	
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	9,400	-	16,056
State share taxes	-	-	-	-	-	-	-	-
Local sources	-	-	-	-	-	-	-	-
State sources	1,614	5,714	4,309	2,135	-	-	22,260	41,032
Federal sources	-	-	-	-	-	-	-	342,952
Earnings from investments	-	-	-	-	-	-	-	9
Total revenues	1,614	5,714	4,309	2,135	-	9,400	22,260	400,049
Expenditures:								
Current:								
Direct instruction	1,614	-	4,309	-	-	9,400	-	241,931
Instructional support	-	5,714	-	2,135	-	-	22,260	105,636
Food services	-	-	-	-	-	-	-	52,806
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	1,614	5,714	4,309	2,135	-	9,400	22,260	400,373
Net changes in fund balances	-	-	-	-	-	-	-	(324)
Fund balance - beginning of year	-	-	-	-	-	-	-	10,975
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,651

Concluded

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

CAFETERIA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Charge for services	\$ 1,000	\$ 1,000	\$ 2,559	\$ 1,559
Federal sources	31,281	31,281	27,328	(3,953)
Earnings from investments	5	5	1	(4)
Total revenues	32,286	32,286	29,888	(2,398)
Expenditures:				
Current:				
Food service	42,299	38,920	28,962	9,958
Net change in fund balance	(10,013)	(6,634)	926	7,560
Fund balance - beginning of year	9,170	9,170	9,170	-
Fund balance - end of year	\$ (843)	\$ 2,536	\$ 10,096	\$ 7,560
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 926	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ 926	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

ATHLETICS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 4,097	\$ (5,903)
Earnings form investments	-	-	8	8
Total revenue	10,000	10,000	4,105	(5,895)
Expenditures:				
Current:				
Direct instruction	11,536	11,536	5,355	6,181
Net change in fund balance	(1,536)	(1,536)	(1,250)	12,076
Fund balance - beginning of year	1,805	1,805	1,805	-
Fund balance - end of year	\$ 269	\$ 269	\$ 555	\$ 12,076
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,250)	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ (1,250)	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

TITLE I SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 30,139	\$ 40,510	\$ 38,286	\$ (2,224)
Expenditures:				
Current:				
Direct instruction	<u>30,139</u>	<u>40,510</u>	<u>38,286</u>	<u>2,224</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

IDEA-B ENTITLEMENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
 BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 33,285	\$ 40,143	\$ 38,562	\$ (1,581)
Expenditures:				
Current:				
Direct instructional	25,171	27,552	25,986	1,566
Instruction support	8,114	12,591	12,576	15
Total expenditures	33,285	40,143	38,562	1,581
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

IDEA-B PRESCHOOL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 2,931	\$ 2,891	\$ 2,874	\$ (17)
Expenditures:				
Current:				
Direct instructional	43	35	32	3
Instruction support	2,888	2,856	2,842	14
Total expenditures	2,931	2,891	2,874	17
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

IDEA-B RISK POOL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 244	\$ 171	\$ (73)
Expenditures:				
Current:				
Instruction support	-	244	171	73
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

INNOVATIVE EDUCATIONAL PROGRAM STRATEGIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 155	\$ 137	\$ (18)
Expenditures:				
Current:				
Direct instruction	-	155	137	18
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	
See accompanying notes to financial statements.				

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

IMPROVING TEACHER QUALITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 4,749	\$ 7,408	\$ 2,986	\$ (4,422)
Expenditures:				
Current:				
Direct instruction	4,549	7,208	3,274	3,934
Instructional support	200	200	176	24
Total expenditures	<u>4,749</u>	<u>7,408</u>	<u>3,450</u>	<u>3,958</u>
Net change in fund balances	-	-	(464)	(464)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (464)</u>	<u>\$ (464)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (464)	
Net revenue accruals			464	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

SAFE & DRUG FREE SCHOOLS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
 BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 403	\$ 779	\$ 246	\$ (533)
Expenditures:				
Current:				
Direct instruction	<u>403</u>	<u>779</u>	<u>246</u>	<u>533</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			<u>-</u>	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

21ST CENTURY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 91,473	\$ 91,473	\$ 91,319	\$ (154)
Expenditures:				
Current:				
Direct instruction	90,933	89,901	89,848	53
Instructional support	540	1,572	1,471	101
Total expenditures	<u>91,473</u>	<u>91,473</u>	<u>91,319</u>	<u>154</u>
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

IDEA-B ENTITLEMENT STIMULUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 13,108	\$ 12,025	\$ 12,025	\$ -
Expenditures:				
Current:				
Direct instruction	1,000	2,469	2,470	1
Instructional support	12,108	9,556	9,555	(1)
Total expenditures	13,108	12,025	12,025	-
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

MEDICAID SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 8,488	\$ 13,689	\$ 5,201
Expenditures:				
Current:				
Instructional support	3,499	15,377	13,689	1,688
Net change in fund balances	(3,499)	(6,889)	-	3,513
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ (3,499)</u>	<u>\$ (6,889)</u>	<u>\$ -</u>	<u>\$ 3,513</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

REAP SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 21,216	\$ 12,588	\$ (8,628)
Expenditures:				
Current:				
Direct instruction	-	19,536	10,908	8,628
Instructional support	-	1,680	1,680	-
Total expenditures	-	21,216	12,588	8,628
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

STATE EQUALIZATION GUARANTEE - STIMULUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 80,417	\$ 102,277	\$ 102,277	\$ -
Expenditures:				
Current:				
Direct instruction	31,014	45,203	45,203	-
Instructional support	25,558	33,229	33,229	-
Food service	23,845	23,845	23,845	-
Total expenditures	80,417	102,277	102,277	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

A PLUS FOR EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 5,000	\$ 5,000	\$ -
Expenditures:				
Current:				
Direct instruction	-	5,000	5,000	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

DUAL CREDIT IM (HB2) SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 2,500	\$ 1,614	\$ (886)
Expenditures:				
Current:				
Direct instruction	-	2,500	1,614	886
Total expenditures	-	2,500	1,614	886
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

GO BOND LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ 783	\$ 9,930	\$ 5,714	\$ (4,216)
Expenditures:				
Current:				
Instructional support	783	9,930	5,714	4,216
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 3,345	\$ 4,309	\$ 964
Expenditures:				
Current:				
Direct instruction	-	4,415	4,309	106
Total expenditures	-	4,415	4,309	106
Net change in fund balance	-	(1,070)	-	858
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	-	(1,070)	\$ -	\$ 858
Prior year cash appropriated	-	1,070		
	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
 BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 2,135	\$ 2,135	\$ -
Expenditures:				
Current:				
Instructional support	-	2,135	2,135	-
Net change in fund balances	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

LIBRARY BOOKS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
 BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ 292	\$ 292	\$ -	\$ -
Expenditures:				
Current:				
Instructional support	<u>292</u>	<u>292</u>	<u>-</u>	<u>292</u>
Net change in fund balance	-	-	-	292
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			<u>-</u>	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

LANGE FOUNDATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Charge for services	\$ -	\$ 600	\$ 9,400	\$ 8,800
Expenditures:				
Current:				
Direct instructional	12,093	12,693	9,400	(3,293)
Net change in cash balance	(12,093)	(12,093)	-	5,507
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	(12,093)	(12,093)	\$ -	\$ 5,507
Prior year cash appropriated	12,093	12,093		
	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

VALUE OPTION DOH SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
 BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 22,260	\$ 22,260
Expenditures:				
Current:				
Instructional support	30,561	30,561	22,260	(8,301)
Net change in fund balance	(30,561)	(30,561)	-	30,561
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ (30,561)</u>	<u>\$ (30,561)</u>	<u>\$ -</u>	<u>\$ 30,561</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ -</u>	

See accompanying notes to financial statements.

CAPITAL PROJECTS FUNDS

SPECIAL CAPITAL OUTLAY - STATE (31400) - To account for resources received from the New Mexico State General Fund, HB-885, Chapter 347, Section 48, Paragraph 287, Laws of 2005 for \$80,000 to plan, design, construct and purchase a building for the youth entrepreneurial and teen center. Also, from the General Fund, HB622, Chapter I I I, Section 39, Paragraph 248, Laws of 2006 for \$45,000 to improve and equip the library.

CAPITAL IMPROVEMENTS SB-9 (31700) - To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also to account for resources received from the State of New Mexico General Fund.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	<u>Capital Projects Funds</u>		
	Special Capital Outlay State 31400	Capital Improvements SB-9 31700	Total
ASSETS			
Cash on deposit	\$ -	\$ 24,507	\$ 24,507
Taxes receivable	-	530	530
Accounts receivable	-	-	-
Inventory, at cost	-	-	-
Due from grantors	-	3,141	3,141
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 28,178</u>	<u>\$ 28,178</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	-
Fund balances:			
Reserve for retirement of long- term debt	-	-	-
Reserved for inventory	-	-	-
Unreserved	-	28,178	28,178
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>-</u>	<u>28,178</u>	<u>28,178</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 28,178</u>	<u>\$ 28,178</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Capital Projects Funds		
	Special Capital Outlay State 31400	Capital Improvements SB-9 31700	Total Capital Projects Funds
Revenues:			
Taxes	\$ -	\$ 22,299	\$ 22,299
Charge for services	-	-	-
State shared taxes	-	-	-
Local sources	-	-	-
State sources	176	23,675	23,851
Federal sources	-	-	-
Earnings form investments	-	-	-
Total revenues	176	45,974	46,150
Expenditures:			
Current:			
Direct instruction	-	-	-
Instructional support	176	35,164	35,340
Food services	-	-	-
Capital outlay	-	17,027	17,027
Debt service:			
Bonds	-	-	-
Interest	-	-	-
Total expenditures	176	52,191	52,367
Net changes in fund balances	-	(6,217)	(6,217)
Fund balance - beginning of year	-	34,395	34,395
Fund balance - end of year	\$ -	\$ 28,178	\$ 28,178

See accompanying notes to financial statements.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

SPECIAL CAPITAL OUTLAY STATE CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
 BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
State sources	\$ 15,000	\$ 19,871	\$ 176	\$ (19,695)
Expenditures:				
Capital outlay	15,000	19,871	176	19,695
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ -	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ -	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ 23,520	\$ 23,520	\$ 22,330	\$ (1,190)
State sources	-	19,811	26,816	7,005
Total revenues	23,520	43,331	49,146	5,815
Expenditures				
Current:				
Instructional support	236	236	223	13
Capital outlay	56,729	76,540	51,968	24,572
Total expenditures	56,965	76,776	52,191	24,585
Net changes in fund balance	(33,445)	(33,445)	(3,045)	30,400
Fund balance - beginning of year	-	-	34,395	-
Fund balance - end of year	<u>\$ (33,445)</u>	<u>\$ (33,445)</u>	<u>\$ 31,350</u>	<u>\$ 30,400</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (3,045)	
Net revenue accruals			(3,172)	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ (6,217)</u>	

See accompanying notes to financial statements.

DEBT SERVICE FUNDS

DEBT SERVICE (41000) - To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2010

	Debt Service 41000	Total
ASSETS		
Cash on deposit	\$ 30,061	\$ 30,061
Taxes receivable	435	435
Accounts receivable	-	-
Inventory, at cost	-	-
Due from grantors	-	-
	<hr/>	<hr/>
Total assets	<u>\$ 30,496</u>	<u>\$ 30,496</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	\$ -	\$ -
Deferred revenue	-	-
	<hr/>	<hr/>
Total liabilities	-	-
Fund balances:		
Reserve for retirement of long- term debt	30,496	30,496
Reserved for inventory	-	-
Unreserved	-	-
	<hr/>	<hr/>
Total fund balance	<u>30,496</u>	<u>30,496</u>
Total liabilities and fund balances	<u>\$ 30,496</u>	<u>\$ 30,496</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR DEBT SERVICE FUND
JUNE 30, 2010

	Debt Service 41000	Total
Revenues:		
Taxes	\$ 26,326	\$ 26,326
Charge for services	-	-
State shared taxes	-	-
Local sources	-	-
State sources	-	-
Federal sources	-	-
Earnings form investments	-	-
	<hr/>	<hr/>
Total revenues	26,326	26,326
Expenditures:		
Current:		
Direct instruction	-	-
Instructional support	-	-
Food services	-	-
Capital outlay	-	-
Debt service:		
Bond	25,000	25,000
Interest	2,958	2,958
	<hr/>	<hr/>
Total expenditures	27,958	27,958
Net changes in fund balances	(1,632)	(1,632)
Fund balance - beginning of year	<hr/> 32,128	<hr/> 32,128
Fund balance - end of year	<u>\$ 30,496</u>	<u>\$ 30,496</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	27,958	27,958	26,673	(1,285)
Expenditures				
Current:				
Instructional support	280	280	-	280
Debt service				
Bond	25,000	25,000	25,000	-
Interest	2,958	2,958	2,958	-
Total expenditures	28,238	28,238	27,958	280
Net changes in fund balance	(280)	(280)	(1,285)	(1,005)
Fund balance - beginning of year	32,128	32,128	32,128	-
Fund balance - end of year	<u>\$ 31,848</u>	<u>\$ 31,848</u>	<u>\$ 30,843</u>	<u>\$ (1,005)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,285)	
Net revenue accruals			(347)	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ (1,632)</u>	

See accompanying notes to financial statements.

GENERAL FUND

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2010

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Material 14000	Total
ASSETS					
Cash	\$ 121,191	\$ 7,008	\$ 43,895	\$ 3,491	\$ 175,585
Taxes receivable	77	-	-	-	77
Accounts receivable, collectible	-	-	-	-	-
Inventory	-	-	-	-	-
Due from grantor	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 121,268</u>	<u>\$ 7,008</u>	<u>\$ 43,895</u>	<u>\$ 3,491</u>	<u>\$ 175,662</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,623	\$ -	\$ -	\$ -	\$ 4,623
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	4,623	-	-	-	4,623
Fund balances:					
Reserved for retirement of long-term debt	-	-	-	-	-
Reservation for inventory	-	-	-	-	-
Unreserved:					
Undesignated, reported in:					
General fund	116,645	7,008	43,895	3,491	171,039
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>116,645</u>	<u>7,008</u>	<u>43,895</u>	<u>3,491</u>	<u>171,039</u>
Total liabilities and fund balances	<u>\$ 121,268</u>	<u>\$ 7,008</u>	<u>\$ 43,895</u>	<u>\$ 3,491</u>	<u>\$ 175,662</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Material 14000	Total
REVENUES					
Taxes	\$ 4,548	\$ -	\$ -	\$ -	\$ 4,548
Charges for services	1,688	1,500	-	-	3,188
Local sources	1,753	-	-	-	1,753
State sources	1,581,516	-	78,558	3,628	1,663,702
Federal sources	2,374	-	-	-	2,374
Earnings from investments	106	-	-	-	106
Total revenues	<u>1,591,985</u>	<u>1,500</u>	<u>78,558</u>	<u>3,628</u>	<u>1,675,671</u>
EXPENDITURES					
Current:					
Direct instruction	914,442	-	-	3,196	917,638
Instructional support	606,785	2,770	75,717	440	685,712
Food services	20,896	-	-	-	20,896
Total expenditures	<u>1,542,123</u>	<u>2,770</u>	<u>75,717</u>	<u>3,636</u>	<u>1,624,246</u>
Net change in fund balance	49,862	(1,270)	2,841	(8)	51,425
Fund balance at beginning of year	<u>66,783</u>	<u>8,278</u>	<u>41,054</u>	<u>3,499</u>	<u>119,614</u>
Fund balance at end of year	<u>\$ 116,645</u>	<u>\$ 7,008</u>	<u>\$ 43,895</u>	<u>\$ 3,491</u>	<u>\$ 171,039</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

OPERATIONAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ 4,813	\$ 4,813	\$ 4,548	\$ (265)
Charges for services	2,253	2,253	1,688	(565)
Local sources	-	-	1,753	1,753
State sources	1,577,180	1,581,829	1,581,516	(313)
Federal sources	-	-	2,374	2,374
Earnings from investments	200	200	106	(94)
Total revenues	1,584,446	1,589,095	1,591,985	2,890
Expenditures:				
Current:				
Direct instruction	982,502	957,154	914,442	42,712
Instruction support	630,380	660,380	611,342	49,038
Food services	24,878	24,878	20,896	3,982
Total expenditures	1,637,760	1,642,412	1,546,680	42,712
Net change in fund balance	(53,314)	(53,317)	45,305	45,602
Fund balance - beginning of year	66,783	66,783	66,783	-
Fund balance - end of year	\$ 13,469	\$ 13,466	\$ 112,088	\$ 45,602
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 45,305	
Net revenue accruals			-	
Net expenditure accruals			4,557	
Net changes in fund balance GAAP basis			\$ 49,862	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

TEACHERAGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	600	600	1,500	900
Local sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	600	600	1,500	900
Expenditures:				
Current:				
Direct instruction	-	-	-	-
Instruction support	2,890	3,020	2,770	250
Food services	-	-	-	-
Capital outlay	6,163	6,033	-	6,033
Total expenditures	9,053	9,053	2,770	6,283
Net change in fund balance	(8,453)	(8,453)	(1,270)	7,183
Fund balance - beginning of year	8,278	8,278	8,278	-
Fund balance - end of year	\$ (175)	\$ (175)	\$ 7,008	\$ 7,183
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,270)	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ (1,270)	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	80,798	78,558	78,558	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	80,798	78,558	78,558	-
Expenditures:				
Current:				
Direct instruction	-	-	-	-
Instruction support	80,798	78,558	75,717	2,841
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	80,798	78,558	75,717	(2,841)
Net change in fund balance	-	-	2,841	2,841
Fund balance - beginning of year	41,054	41,054	41,054	-
Fund balance - end of year	\$ 41,054	\$ 41,054	\$ 43,895	\$ 2,841
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 2,841	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			\$ 2,841	

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	3,628	3,300	3,628	328
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>3,628</u>	<u>3,300</u>	<u>3,628</u>	<u>328</u>
Expenditures:				
Current:				
Direct instruction	6,483	6,155	3,196	2,959
Instruction support	619	619	440	179
Food services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>7,102</u>	<u>6,774</u>	<u>3,636</u>	<u>3,138</u>
Net change in fund balance	(3,474)	(3,474)	(8)	3,466
Fund balance - beginning of year	<u>3,491</u>	<u>3,491</u>	<u>3,491</u>	-
Fund balance - end of year	<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ 3,483</u>	<u>\$ 3,466</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (8)	
Net revenue accruals			-	
Net expenditure accruals			-	
Net changes in fund balance GAAP basis			<u>\$ (8)</u>	

See accompanying notes to financial statements.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 MAXWELL MUNICIPAL SCHOOLS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Assets				
Cash	\$ 21,295	\$ 60,782	\$ 62,929	\$ 19,148
Total assets	<u>\$ 21,295</u>	<u>\$ 60,782</u>	<u>\$ 62,929</u>	<u>\$ 19,148</u>
Liabilities				
Deposits held for others	\$ 21,295	\$ 60,782	\$ 62,929	\$ 19,148
Total liabilities	<u>\$ 21,295</u>	<u>\$ 60,782</u>	<u>\$ 62,929</u>	<u>\$ 19,148</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2010

Wells Fargo Bank - Minnesota

Description of Pledge Collateral	CUSIP	Maturity	Market Value
FED NATL MTG ASSN POOL#831610	31407H3T1	6/1/2036	\$ 534,573
GNMA POOL 781118	36225BG36	10/15/2029	<u>7,111</u>
		Total:	<u>\$ 541,684</u>

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS
JUNE 30, 2010

Bank Account Type/Name	Total
Wells Fargo	
Checking - General Operational	\$ 488,522
Checking- Activity Fund	23,355
Checking - Lunch	<u>7,511</u>
Total On Demand	519,388
Reconciling items	<u>(187,216)</u>
Reconciled Balance June 30, 2010	332,172
Less: Fiduciary Funds Cash	<u>(19,148)</u>
Balance Sheet Total June 30, 2010	<u>\$ 313,024</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

CASH RECONCILIATION
JUNE 30, 2010

	<u>Operational 11000</u>	<u>Teacherage 12000</u>	<u>Transportation 13000</u>	<u>Instructional Materials 14000</u>	<u>Cafeteria 21000</u>	<u>Athletics Account 22000</u>	<u>Non - Instructional 23000</u>	<u>Federal Flowthrough 24000</u>
Cash, June 30, 2009	\$ 75,985	\$ 8,278	\$ 41,054	\$ 3,499	\$ 6,634	\$ 1,805	\$ 21,295	\$ (42,488)
Cash receipts, 2009-2010	1,672,244	450	79,333	3,628	30,586	4,590	60,782	229,095
Cash disbursements, 2009-2010	<u>(1,627,038)</u>	<u>(1,720)</u>	<u>(76,492)</u>	<u>(3,636)</u>	<u>(29,709)</u>	<u>(5,840)</u>	<u>(62,929)</u>	<u>(187,071)</u>
Cash balance, June 30, 2010	<u>\$ 121,191</u>	<u>\$ 7,008</u>	<u>\$ 43,895</u>	<u>\$ 3,491</u>	<u>\$ 7,511</u>	<u>\$ 555</u>	<u>\$ 19,148</u>	<u>\$ (464)</u>
	<u>Federal Direct 25000</u>	<u>State Flowthrough 26000</u>	<u>State Flowthrough 27000</u>	<u>Local / State 29000</u>	<u>Capital Outlay 31400</u>	<u>Cap. Impro. SB 9 31700</u>	<u>Debt Service Fund 41000</u>	
Cash, June 30, 2009	\$ -	\$ -	\$ (20,518)	\$ 91,702	\$ (4,244)	\$ 33,897	\$ 31,346	
Cash receipts, 2009-2010	126,821	5,000	34,309	64,490	4,419	44,578	26,672	
Cash disbursements, 2009-2010	<u>(132,333)</u>	<u>(5,000)</u>	<u>(14,983)</u>	<u>(74,219)</u>	<u>(175)</u>	<u>(53,968)</u>	<u>(27,957)</u>	
Cash balance, June 30, 2010	<u>\$ (5,512)</u>	<u>\$ -</u>	<u>\$ (1,192)</u>	<u>\$ 81,973</u>	<u>\$ -</u>	<u>\$ 24,507</u>	<u>\$ 30,061</u>	

See accompanying notes to financial statements.

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

State Auditor of the State of New Mexico
Board of Directors of the Maxwell Municipal Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Maxwell Municipal Schools (the District) as of and for the year ended June 30, 2010, and have issued our report thereon dated October 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board Members, the District's management, The Public Education Department, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

White + Sanoniego + Gaybell, LLP

October 14, 2010

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2010

PRIOR YEAR AUDIT FINDINGS

There were no previous year audit findings.

CURRENT YEAR AUDIT FINDINGS

There are no current year audit findings.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

FINANCIAL STATEMENT PREPARATION
FOR THE YEAR ENDED JUNE 30, 2010

The financial statements of Maxwell Municipal Schools as of, and for the year ended June 30, 2010 were prepared by White + Samaniego + Campbell, LLP, with the aid of responsible District personnel. Official responsible personnel agree that the presentations are made with their knowledge and agreement.

STATE OF NEW MEXICO
MAXWELL MUNICIPAL SCHOOLS

EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2010

An exit conference was conducted on October 28, 2010 in a closed meeting at Maxwell Municipal School pursuant to Section 12-6-5 NMSA, 1978 with the following individuals in attendance:

Maxwell Municipal Schools

Dr. Joe Charles Harrison
Susan Robinson
Mary Lou Kern
Selena Shubert

Superintendent
Business Manager
Board President
Community Member

White + Samaniego + Campbell, LLP

Luis Molina

Supervisor