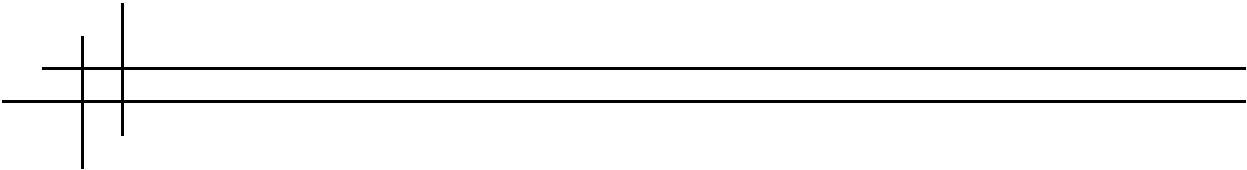




STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2009

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
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 For the Year Ended June 30, 2009

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ITFS/FCC-26111

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MELROSE MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Official Roster
June 30, 2009

BOARD OF EDUCATION

Marvin Estes	President
Ben Widener	Vice-President
Keith McAlister	Secretary
Kenny Jacobs	Member
Scott Dickerman	Member

SCHOOL OFFICIALS

Ronald Windom	Superintendent
Pamela Beevers	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the MELROSE MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of MELROSE MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2009, 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 non major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, 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, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons for the Capital Projects Fund and 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 a report dated November 6, 2009, 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 *Governmental Auditing Standards* and should be considered in assessing

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

Our audit was conducted for the purpose of forming opinions on the financial statements and on the combining and individual fund financial statements and the respective budgetary comparisons. 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 of the District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

De'Ann Willoughby CPA PC

November 6, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 Government-Wide Statement of Net Assets
 June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 416,665
Taxes Receivable	690
Due From Grantor	45,191
Inventory and prepaid expenses	<u>3,448</u>
Total Current Assets	<u>465,994</u>
Noncurrent Assets	
Capital Assets	10,087,689
Less: Accumulated Depreciation	<u>(6,585,014)</u>
Total Noncurrent Assets	<u>3,502,675</u>
Total Assets	<u>3,968,669</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>19,986</u>
Total Current Liabilities	<u>19,986</u>
Total Liabilities	<u>19,986</u>
NET ASSETS	
Invested in Capital Assets	3,502,675
Unrestricted	<u>446,008</u>
Total Net Assets	<u>\$ 3,948,683</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 1,866,507	\$ 20,697	\$ 247,465	\$ 0	\$ (1,598,345)
Support Services-Students	147,203	0	88,562	0	(58,641)
Support Services-Instruction	56,266	0	0	0	(56,266)
General Administration	115,121	0	0	0	(115,121)
School Administration	154,309	0	0	0	(154,309)
Central Services	90,929	0	1,026	0	(89,903)
Operation of Plant	344,231	0	0	0	(344,231)
Student Transportation	314,563	0	314,560	0	(3)
Food Services Operations	124,759	93,032	0	0	(31,727)
Depreciation (unallocated)	137,409	0	0	0	(137,409)
Total Governmental Activities	<u>\$ 3,351,297</u>	<u>\$ 113,729</u>	<u>\$ 651,613</u>	<u>\$ 0</u>	<u>(2,585,955)</u>
General Revenues					
Taxes					
					10,005
					40,271
					17
Federal and State aid not restricted to specific purpose					
					2,396,390
					43,465
Interest and investment earnings					
					8,226
Miscellaneous					
					19,007
					<u>2,517,381</u>
Change in Net Assets					
					(68,574)
Net Assets - beginning					
					<u>4,017,257</u>
Net Assets - ending					
					<u>\$ 3,948,683</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	General Fund		
	Operational	Transportation	Instructional
	Fund 11000	Fund 13000	Fund 14000
ASSETS			
Cash and Cash Equivalents	\$ 178,626	\$ 1	\$ 3,913
Receivables			
Taxes	138	0	0
Due From Grantor	0	0	0
Interfund Balances	45,191	0	0
Inventory	0	0	0
Total Assets	<u>\$ 223,955</u>	<u>\$ 1</u>	<u>\$ 3,913</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 16,011	\$ 0	\$ 2,664
Interfund Balances	0	0	0
Total Liabilities	<u>16,011</u>	<u>0</u>	<u>2,664</u>
Fund Balances			
Reserved for Inventory	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	207,944	1	1,249
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>207,944</u>	<u>1</u>	<u>1,249</u>
Total Liabilities and Fund Balances	<u>\$ 223,955</u>	<u>\$ 1</u>	<u>\$ 3,913</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2009

	<u>Special Revenue Funds</u>		
	<u>IDEA B, Entitlement 24106</u>	<u>E2T2- Competitive 24149</u>	<u>Title I Stimulus 24201</u>
ASSETS			
Cash and Cash Equivalents	0 \$	0 \$	0
Receivables			
Taxes	0	0	0
Due From Grantor	17,231	9,772	15,488
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>17,231</u> \$	<u>9,772</u> \$	<u>15,488</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0 \$	0 \$	0
Interfund Balances	17,231	9,772	15,488
Total Liabilities	<u>17,231</u>	<u>9,772</u>	<u>15,488</u>
Fund Balances			
Reserved for Inventory	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>17,231</u> \$	<u>9,772</u> \$	<u>15,488</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2009

	<u>Capital Projects</u>		
	<u>SB-9</u>	<u>Other</u>	<u>Total</u>
	<u>31700</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 196,563	\$ 37,562	\$ 416,665
Receivables			
Taxes	552	0	690
Due From Grantor	0	2,700	45,191
Interfund Balances	0	0	45,191
Inventory	0	3,448	3,448
Total Assets	<u>\$ 197,115</u>	<u>\$ 43,710</u>	<u>\$ 511,185</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 1,311	\$ 0	\$ 19,986
Interfund Balances	<u>0</u>	<u>2,700</u>	<u>45,191</u>
Total Liabilities	<u>1,311</u>	<u>2,700</u>	<u>65,177</u>
Fund Balances			
Reserved for Inventory	0	3,448	3,448
Unreserved, Undesignated, reported in:			
General Fund	0	0	209,194
Special Revenue Funds	0	37,201	37,201
Capital Projects	195,804	0	195,804
Debt Service	0	361	361
Total Fund Balances	<u>195,804</u>	<u>41,010</u>	<u>446,008</u>
Total Liabilities and Fund Balances	<u>\$ 197,115</u>	<u>\$ 43,710</u>	<u>\$ 511,185</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balance - Governmental Funds		\$	446,008
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
	The cost of capital assets	\$	10,087,689
	Accumulated depreciation is	<u>(6,585,014)</u>	<u>3,502,675</u>
Total net assets - governmental activities		\$	<u><u>3,948,683</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	General Funds		
	Operational	Transportation	Instructional
	Fund 11000	Fund 13000	Materials Fund 14000
Revenues			
Property Taxes	\$ 10,005	\$ 0	\$ 0
Interest Income	5,974	0	0
Fees	0	0	0
State & Local Grants	2,396,390	314,560	33,105
Federal Grants	0	0	0
Miscellaneous	19,007	0	0
Total Revenues	2,431,376	314,560	33,105
Expenditures			
Current			
Instruction	1,577,267	0	34,174
Support Services-Students	136,227	0	0
Support Services-Instruction	26,708	0	1,393
Support Services-General Administration	112,319	0	0
Support Services-School Administration	140,393	0	0
Central Services	89,903	0	0
Operation and Maintenance of Plant	319,223	0	0
Transportation	0	314,563	0
Food Services Operations	28,751	0	0
Capital Outlay	0	0	0
Total Expenditures	2,430,791	314,563	35,567
Excess (Deficiency) of Revenues Over Expenditures	585	(3)	(2,462)
Beginning Fund Balances	207,359	4	3,711
Fund Balance End of Year	\$ 207,944	\$ 1	\$ 1,249

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue Funds		
	IDEA B, Entitlement 24106	E2T2- Competitive 24149	IDEA B, Discretionary 24201
Revenues			
Property Taxes	0 \$	0 \$	0 \$
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	62,519	39,998	15,488
Miscellaneous	0	0	0
Total Revenues	<u>62,519</u>	<u>39,998</u>	<u>15,488</u>
Expenditures			
Current			
Instruction	59,075	11,863	15,488
Support Services-Students	0	0	0
Support Services-Instruction	0	25,735	0
Support Services-General Administration	0	2,400	0
Support Services-School Administration	3,444	0	0
Central Services	0	0	0
Operation and Maintenance of Plant	0	0	0
Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>62,519</u>	<u>39,998</u>	<u>15,488</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Beginning Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>Capital Projects</u>		
	SB-9 31700	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	40,271	\$ 17	\$ 50,293
Interest Income	2,248	4	8,226
Fees	0	46,267	46,267
State & Local Grants	43,466	22,619	2,810,140
Federal Grants	0	230,785	348,790
Miscellaneous	0	0	19,007
Total Revenues	<u>85,985</u>	<u>299,692</u>	<u>3,282,723</u>
Expenditures			
Current			
Instruction	0	168,640	1,866,507
Support Services-Students	0	10,976	147,203
Support Services-Instruction	0	2,430	56,266
Support Services-General Administration	401	1	115,121
Support Services-School Administration	0	10,472	154,309
Central Services	0	1,026	90,929
Operation and Maintenance of Plant	25,008	0	344,231
Transportation	0	0	314,563
Food Services Operations	0	96,008	124,759
Capital Outlay	12,415	15,012	27,427
Total Expenditures	<u>37,824</u>	<u>304,565</u>	<u>3,241,315</u>
Excess (Deficiency) of Revenues Over Expenditures	48,161	(4,873)	41,408
Beginning Fund Balances	<u>147,643</u>	<u>45,883</u>	<u>404,600</u>
Fund Balance End of Year	<u>195,804</u>	<u>\$ 41,010</u>	<u>\$ 446,008</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2009

Net Change in Fund Balance-Governmental Funds \$ 41,408

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays 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 exceeds capital outlays in the period.

Depreciation expense	\$ (137,409)	
Capital Outlays	<u>27,427</u>	<u>(109,982)</u>

Changes in Net Assets of Governmental Activities \$ (68,574)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 10,182	\$ 10,182	\$ 10,043	\$ (139)
Interest Income	8,000	8,000	5,974	(2,026)
State Grant	2,409,019	2,396,180	2,396,390	210
Miscellaneous	7,725	7,725	19,007	11,282
Total Revenues	<u>2,434,926</u>	<u>2,422,087</u>	<u>2,431,414</u>	<u>9,327</u>
Expenditures				
Instruction				
Personnel Services	1,191,625	1,178,577	1,140,413	38,164
Employee Benefits	386,736	378,336	353,312	25,024
Professional & Tech Services	500	4,944	4,943	1
Purchased Services	30,700	33,089	15,385	17,704
Supplies	65,628	69,404	45,797	23,607
Supply Assets	16,723	14,723	6,928	7,795
Total Instruction	<u>1,691,912</u>	<u>1,679,073</u>	<u>1,566,778</u>	<u>112,295</u>
Support Services-Students				
Personnel Services	94,544	95,244	90,561	4,683
Employee Benefits	55,469	55,475	45,452	10,023
Professional & Tech Services	2,150	1,444	130	1,314
Purchased Services	100	100	84	16
Total Support Services-Students	<u>152,263</u>	<u>152,263</u>	<u>136,227</u>	<u>16,036</u>
Support Services-Instruction				
Personnel Services	33,257	25,199	21,136	4,063
Employee Benefits	7,118	7,782	4,995	2,787
Purchased Services	0	7,394	415	6,979
Supplies	11,500	11,500	162	11,338
Total Support Services-Instruction	<u>51,875</u>	<u>51,875</u>	<u>26,708</u>	<u>25,167</u>
Support Services-General Administration				
Personnel Services	81,124	81,124	81,124	0
Employee Benefits	16,853	17,464	17,353	111
Professional & Tech Services	16,802	14,511	11,285	3,226
Purchased Services	1,300	2,980	2,075	905
Supplies	2,500	2,500	482	2,018
Total Support Services-General Administration	<u>\$ 118,579</u>	<u>\$ 118,579</u>	<u>\$ 112,319</u>	<u>\$ 6,260</u>

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 115,226	\$ 115,226	\$ 105,226	\$ 10,000
Employee Benefits	38,715	36,879	34,393	2,486
Professional & Tech Services	0	1,136	656	480
Purchased Services	100	100	15	85
Total Support Services-School Administration	<u>154,041</u>	<u>153,341</u>	<u>140,290</u>	<u>13,051</u>
Central Services				
Personnel Services	53,854	53,854	53,854	0
Employee Benefits	21,871	22,530	21,964	566
Professional & Tech Services	5,000	14,141	14,075	66
Total Central Services	<u>80,725</u>	<u>90,525</u>	<u>89,893</u>	<u>632</u>
Operation & Maintenance of Plant				
Personnel Services	65,096	77,090	76,590	500
Employee Benefits	26,237	34,189	33,419	770
Purchased Property Services	158,335	149,970	137,295	12,675
Purchased Services	55,707	58,270	57,199	1,071
Supplies	17,500	23,400	18,001	5,399
Total Operation & Maintenance of Plant	<u>322,875</u>	<u>342,919</u>	<u>322,504</u>	<u>20,415</u>
Food Service				
Personnel Services	22,117	22,117	22,117	0
Employee Benefits	5,384	5,570	5,306	264
Professional & Tech Services	0	200	200	0
Supplies	3,000	2,614	1,066	1,548
Total Food Service	<u>30,501</u>	<u>30,501</u>	<u>28,689</u>	<u>1,812</u>
Total Expenditures	<u>2,602,771</u>	<u>2,619,076</u>	<u>2,423,408</u>	<u>195,668</u>
Excess (Deficiency) of Revenues Over Expenditures	(167,845)	(196,989)	8,006	204,995
Cash Balance Beginning of Year	<u>215,811</u>	<u>215,811</u>	<u>215,811</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 47,966</u>	<u>\$ 18,822</u>	<u>\$ 223,817</u>	<u>\$ 204,995</u>

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,006	
Net Change in Taxes Receivable			(38)	
Net change in Accounts Payable			(7,383)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 585</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 293,378	314,564	\$ 314,560	\$ (4)
Total Revenues	<u>293,378</u>	<u>314,564</u>	<u>314,560</u>	<u>(4)</u>
Expenditures				
Transportation				
Personnel Services	2,500	2,500	2,500	0
Employee Benefits	518	502	499	3
Purchased Property Services	13,767	45,073	45,073	0
Other Purchased Services	276,153	266,429	266,427	2
Supply Assets	440	64	64	0
Total Transportation	<u>293,378</u>	<u>314,568</u>	<u>314,563</u>	<u>5</u>
Total Expenditures	<u>293,378</u>	<u>314,568</u>	<u>314,563</u>	<u>5</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4)	(3)	1
Cash Balance Beginning of Year	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 1</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (3)	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 23,299	\$ 33,345	\$ 33,105	\$ (240)
Total Revenues	<u>23,299</u>	<u>33,345</u>	<u>33,105</u>	<u>(240)</u>
Expenditures				
Instruction				
Supplies	25,921	35,727	31,574	4,153
Total Instruction	<u>25,921</u>	<u>35,727</u>	<u>31,574</u>	<u>4,153</u>
Support Services-Instruction				
Supplies	1,089	1,329	1,329	0
Total Support Services-Instruction	<u>1,089</u>	<u>1,329</u>	<u>1,329</u>	<u>0</u>
Total Expenditures	<u>27,010</u>	<u>37,056</u>	<u>32,903</u>	<u>4,153</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,711)	(3,711)	202	3,913
Cash Balance Beginning of Year	<u>3,711</u>	<u>3,711</u>	<u>3,711</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,913</u>	<u>\$ 3,913</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 202	
Net Change in Payables			(2,664)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>(2,462)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B, ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 72,014	\$ 74,057	56,826	\$ (17,231)
Total Revenues	<u>72,014</u>	<u>74,057</u>	<u>56,826</u>	<u>(17,231)</u>
Expenditures				
Instruction				
Personnel Services	30,203	30,102	30,102	0
Employee Benefits	26,829	23,973	23,973	0
Other Purchased Services	0	5,000	5,000	0
Total Instruction	<u>57,032</u>	<u>59,075</u>	<u>59,075</u>	<u>0</u>
Support Services-School Administration				
Personnel Services	2,500	2,500	2,500	0
Employee Benefits	499	499	499	0
Professional & Tech Services	445	445	445	0
Total Support Services-School Administration	<u>3,444</u>	<u>3,444</u>	<u>3,444</u>	<u>0</u>
Total Expenditures	<u>60,476</u>	<u>62,519</u>	<u>62,519</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	11,538	11,538	(5,693)	(17,231)
Cash Balance Beginning of Year	<u>(11,538)</u>	<u>(11,538)</u>	<u>(11,538)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(17,231)</u>	\$ <u>(17,231)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,693)	
Net change in Due from Grantor			5,693	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE-IDEA B, COMPETITIVE-24149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 29,798	\$ 69,798	\$ 60,024	\$ (9,774)
Total Revenues	<u>29,798</u>	<u>69,798</u>	<u>60,024</u>	<u>(9,774)</u>
Expenditures				
Instruction				
Personnel Services	0	10,000	10,000	0
Employee Benefits	0	1,864	1,863	1
Total Instruction	<u>0</u>	<u>11,864</u>	<u>11,863</u>	<u>1</u>
Support Services-Instruction				
Personnel Services	0	21,150	21,150	0
Employee Benefits	0	4,379	4,379	0
Professional & Tech Services	0	206	206	0
Total Support Services-Instruction	<u>0</u>	<u>25,735</u>	<u>25,735</u>	<u>0</u>
Central Services				
Personnel Services	0	2,000	2,000	0
Employee Benefits	0	401	401	0
Total Central Services	<u>0</u>	<u>2,401</u>	<u>2,401</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>40,000</u>	<u>39,999</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	29,798	29,798	20,025	(9,773)
Cash Balance Beginning of Year	<u>(29,798)</u>	<u>(29,798)</u>	<u>(29,798)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,773)</u>	<u>\$ (9,773)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,025	
Net change in Due from Grantor			<u>(20,025)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE-TITLE I STIMULAS-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 15,488	\$ 0	\$ (15,488)
Total Revenues	<u>0</u>	<u>15,488</u>	<u>0</u>	<u>(15,488)</u>
Expenditures				
Instruction				
Personnel Services	0	7,183	7,183	0
Employee Benefits	0	2,642	2,642	0
Supply Assets	0	5,663	5,663	0
Total Instruction	<u>0</u>	<u>15,488</u>	<u>15,488</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>15,488</u>	<u>15,488</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(15,488)	(15,488)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,488)</u>	<u>\$ (15,488)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,488)	
Net change in Due from Grantor			<u>15,488</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 60,950
Total Assets	<u>\$ 60,950</u>
Liabilities	
Deposits Held for Others	\$ 60,950
Total Liabilities	<u>\$ 60,950</u>

The notes to the financial statements are an integral part of this statement.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the MELROSE MUNICIPAL SCHOOLS (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The 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. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt. General Fund - The General Fund consist of three sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

MAJOR FUNDS

The District reports the following major governmental funds:

GENERAL FUND (11000)(13000)(14000)

The General Fund consist of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

SPECIAL REVENUE FUND

IDEA B, Entitlement (24106)

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

Title I Stimulus (24201)

To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Enhancing Education Through Technology (E2T2-C) (24149)

To account for resources received from the Department of Education, Office of Elementary and Secondary Education through the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended. To provide grants to improve student academic achievement through the use of technology in schools.

CAPITAL PROJECT FUNDS

Senate Bill Nine (31700)

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds 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 and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types 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 30 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.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

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

Entitlement 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 are not accrued. Salaries for the twelve month employees payroll are

Other Financing Sources (Uses)

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

Basis of Budgeting

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for 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 the District shall make any expenditures or incur any obligation for the expenditures 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 I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBPU.
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 the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved

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.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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.

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 five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States
- (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

Receivables and Payables

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.

Receivable consist of the following:

	General	IDEA B, Entitlement 24106	E2T2 Competitive 24149	Title I Stimulus 24201	SB-9 31700	
Property Taxes	\$ 138	\$ 0	\$ 0	\$ 0	\$ 552	
Due from Grantor	0	17,231	9,772	15,488	0	
	<u>\$ 138</u>	<u>\$ 17,231</u>	<u>\$ 9,772</u>	<u>\$ 15,488</u>	<u>\$ 552</u>	
						Other Governmental Funds
Property Taxes				\$ 0		
Due from Grantor				2,700		
				<u>\$ 2,700</u>		

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs 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 per Section 12-6-10 NMSA 1978 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

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

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use are either:

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

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific

Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future

Interfund 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.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

Deferred Revenue

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 combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

It is the policy of District to permit certain employees to accumulate a limited amount of earned but unused vacation, which will not be paid to employees upon separation from the school districts' service. In governmental funds, the cost of vacations is recognized when payments are made to employees. No accrual for accumulated compensated absences has been made.

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

Estimates

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

NOTE B: CASH AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

American Heritage

<u>Name of Account</u>	Balance Per Bank 6/30/2009	Reconciled Balance	<u>Type</u>
Operational	\$ 225,522	\$ 85,884	Checking
Cafeteria	7,134	2,767	Checking
Activity	12,030	11,782	Checking
Athletic	509	509	Checking
SB-9	494	494	Checking
Debt Service	361	361	Checking
FTD Clearing Account	100	100	Checking
Money Market Fund	360,123	360,123	Savings
Melrose School	15,595	15,595	CD
TOTAL Deposited	<u>621,868</u>	<u>\$ 477,615</u>	
Less: FDIC Coverage	<u>(496,150)</u>		
Uninsured Amount	125,718		
50% collateral requirement	62,859		
Pledged securities	560,000		
Over (Under) requirement	<u>\$ 497,141</u>		

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at American Heritage:

<u>Description</u>	<u>CUSIP #</u>	<u>Fair Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLB	3133MTRK6	\$ 560,000	11/13/09	* TIB
		<u>\$ 560,000</u>		

* Texas Independent Bank,
Dallas, Texas

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance 6/30/2009</u>
Insured	\$ 496,150
Collateralized:	
Collateral held by the pledging bank in District's name	125,718
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 621,868</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009 none of the District's bank balance of \$621,868, was exposed to custodial credit risk.

NOTE C: INTERFUND BALANCES

The interfund balance for June 30, 2009 were as follows,

<u>From:</u>	<u>To:</u>	<u>Amount:</u>
Operation-11000	Idea B Entitlement	\$ 17,231
	Idea B Competitive	9,772
	Stimulus	15,488
	Other Governmental Funds	2,700
	Total Interfund Balances	<u>\$ 45,191</u>

The above interfund balances were made to cover short falls and will be repaid within one year.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2009:

	General Fund 11000	Senate Bill Nine 31700	Other Governmental Funds 41000	Total
Property Taxes Receivable:				
Available	\$ 138	\$ 552	\$ 0	\$ 690
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	\$ 138	\$ 552	\$ 0	\$ 690

NOTE E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2009:

Federal Agencies	\$ 45,191
Total	\$ 45,191

NOTE F: DEFERRED REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. There were no Deferred Revenues for the year ended June 30, 2009.

NOTE G: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 27,672	\$ 0	\$ 0	\$ 27,672
Total Capital Assets, not being Depreciated	27,672	0	0	27,672
Capital Assets, being Depreciated				
Buildings & Improvements	8,879,980	27,428	0	8,907,408
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,152,610	0	0	1,152,610
Total Capital Assets, being Depreciated	10,032,590	27,428	0	10,060,018
Total Capital Assets	10,060,262	27,428	0	10,087,690

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

Less Accumulated Depreciation				
Buildings & Improvements	5,299,522	99,955	0	5,399,477
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,148,083	37,453	0	1,185,536
Total Accumulated Depreciation	<u>6,447,605</u>	<u>137,408</u>	<u>0</u>	<u>6,585,013</u>
Capital Assets, net	<u>\$ 3,612,657</u>	<u>\$ (109,980)</u>	<u>\$ 0</u>	<u>\$ 3,502,677</u>

NOTE H: COMMITMENTS

The District has no construction commitments at June 30, 2009.

NOTE I: PENSION PLAN

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

Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered 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 District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$332,396, \$309,504, and \$298,327 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$33,288, \$32,290 and \$32,499 respectively, which equal the required contributions for each year.

NOTE K: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2009

B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Reconciliations are located at the bottom of each budget actual.

NOTE L: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

Workers Compensation
Property and Automobile Liability and Physical Damage
Liability and Civil Rights and Personal Injury
Contract School Bus Coverage; and
Crime

NOTE M: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE N: JOINT POWERS AGREEMENTS

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The expenditures were \$132,814. The revenue and expenditures are reported in IDEA, Part B Entitlement, IDEA, Part B, Discretionary and IDEA, Part B Preschool.

The financial statements for the REC were prepared by De'Aun Willoughby, CPA. The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

Certain special revenue (federal funds of the district were administered by the Region VI education Cooperative, in Clovis, New Mexico. These funds are audited separately by De'Aun Willoughby. That report may be obtained by writing to : REC #6 15000 S. Ave K Station 9 Portales, NM 88130.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 CAPITAL PROJECTS FUND-SB-9-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 40,724	\$ 40,724	\$ 40,185	\$ (539)
State Grant	0	45,382	43,466	(1,916)
Miscellaneous	2,000	2,000	2,248	248
Total Revenues	<u>42,724</u>	<u>88,106</u>	<u>85,899</u>	<u>(2,207)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>408</u>	<u>408</u>	<u>401</u>	<u>7</u>
Total Support Services-General Administration	<u>408</u>	<u>408</u>	<u>401</u>	<u>7</u>
Operation & Maintenance of Plant				
Purchased Property Services	<u>72,702</u>	<u>77,300</u>	<u>24,083</u>	<u>53,217</u>
Total Operation & Maintenance of Plant	<u>72,702</u>	<u>77,300</u>	<u>24,083</u>	<u>53,217</u>
Capital Outlay				
Purchased Property Services	<u>72,702</u>	<u>77,300</u>	<u>12,415</u>	<u>64,885</u>
Total Capital Outlay	<u>72,702</u>	<u>77,300</u>	<u>12,415</u>	<u>64,885</u>
Total Expenditures	<u>145,812</u>	<u>155,008</u>	<u>36,899</u>	<u>118,109</u>
Excess (Deficiency) of Revenues Over Expenditures	(103,088)	(66,902)	49,000	115,902
Cash Balance Beginning of Year	<u>147,563</u>	<u>147,563</u>	<u>147,563</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 44,475</u>	<u>\$ 80,661</u>	<u>\$ 196,563</u>	<u>\$ 115,902</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 49,000	
Net change in Taxes Receivable			85	
Net change in Accounts Receivable			(924)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 48,161</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA B, Discretionary (24107). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created

Title V (24150). To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

Teacher/Principal Training & Recruiting (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Safe & Drug Free Schools & Communities (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

Rural Education Achievement Program (25233). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Instructional Television Fixed Service (ITFS/FCC) (26111). To account for resources received from Plateau Telecommunications, Inc. to provide an instructional television fixed service channel to be used for educational needs. The fund was created by grant provisions.

Rural Vision (26127). To account for resources received from the sale of telecommunications time to cable networks. The fund was created by grant provisions.

NONMAJOR SPECIAL REVENUE FUNDS

Technology for Education (27117). To account for monies received to enhance teacher advancement in technology or to purchase technologically advanced equipment. The fund was created by the authority of the State grant provisions. (22-15A-1 NMSA and State Department of Education Regulation 92-2)

Incentives for School Improvement (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eight. The fund was created by state grant provisions.

Library GO Bonds (27170). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

State Directed Activities (27200). To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

Library Book (27549). To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

NONMAJOR CAPITAL PROJECTS FUNDS

Special Capital Outlay-State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

NONMAJOR DEBT SERVICE FUNDS

DEBT SERVICE FUND (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
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
ASSETS			
Cash and Cash Equivalents	\$ 3,313	\$ 509	\$ 0
Receivables			
Due From Grantor	0	0	941
Inventory	3,448	0	0
Total Assets	<u>\$ 6,761</u>	<u>\$ 509</u>	<u>\$ 941</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 941
Total Liabilities	<u>0</u>	<u>0</u>	<u>941</u>
Fund Balance			
Reserved for Inventory	3,448	0	0
Unreserved, Undesignated			
Special Revenue Funds	3,313	509	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>6,761</u>	<u>509</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 6,761</u>	<u>\$ 509</u>	<u>\$ 941</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	IDEA B, Discretionary 24107	IDEA B, Preschool 24109	Title V Innovative 24150
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	678	381	79
Inventory	0	0	0
Total Assets	<u>\$ 678</u>	<u>\$ 381</u>	<u>\$ 79</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 678	\$ 381	\$ 79
Total Liabilities	<u>678</u>	<u>381</u>	<u>79</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 678</u>	<u>\$ 381</u>	<u>\$ 79</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Teacher/ Principal Training & Recruiting <u>24154</u>	Safe & Drug Free Schools & Community <u>24157</u>	Rural Education Achievement Program <u>25233</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	62	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 62</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	<u>\$ 62</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Liabilities	<u>62</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 62</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	ITFS/FCC 26111	Rural Vision 26127	Technology for Education 27117
ASSETS			
Cash and Cash Equivalents	7,200	\$ 24,347	\$ 1,669
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>7,200</u>	<u>\$ 24,347</u>	<u>\$ 1,669</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue Funds	7,200	24,347	1,669
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>7,200</u>	<u>24,347</u>	<u>1,669</u>
Total Liabilities and Fund Balance	<u>7,200</u>	<u>\$ 24,347</u>	<u>\$ 1,669</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Incentives for School Improvements 27138	Beginning Teacher Mentoring 27154	Library GO Bonds 27170
ASSETS			
Cash and Cash Equivalents	\$ 163	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 163</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue Funds	163	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>163</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 163</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Special Revenue</u>		<u>Capital Outlay</u>
	State Directed Activities 27200	Library Book 27549	Capital Outlay-State 31400
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	559	0	0
Inventory	0	0	0
Total Assets	<u>\$ 559</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 559	\$ 0	\$ 0
Total Liabilities	<u>559</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved, Undesignated			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 559</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Debt Service</u>	
	<u>Debt Service</u>	<u>Total</u>
	41000	
ASSETS		
Cash and Cash Equivalents	\$ 361	\$ 37,562
Receivables		
Due From Grantor	0	2,700
Inventory	0	3,448
Total Assets	<u>\$ 361</u>	<u>\$ 43,710</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balances	\$ 0	\$ 2,700
Total Liabilities	<u>0</u>	<u>2,700</u>
Fund Balance		
Reserved for Inventory	0	3,448
Unreserved, Undesignated		
Special Revenue Funds	0	37,201
Capital Projects	0	0
Debt Service	361	361
Total Fund Balance	<u>361</u>	<u>41,010</u>
Total Liabilities and Fund Balance	<u>\$ 361</u>	<u>\$ 43,710</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	4	0	0
Fees	25,570	20,697	0
State & Local Grants	0	0	0
Federal Grants	67,461	0	58,792
Miscellaneous	0	0	0
Total Revenues	<u>93,035</u>	<u>20,697</u>	<u>58,792</u>
Expenditures			
Current			
Instruction	0	22,006	58,792
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Central Services	0	0	0
Food Services Operations	96,008	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>96,008</u>	<u>22,006</u>	<u>58,792</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,973)	(1,309)	0
Fund Balances at Beginning of Year	<u>9,734</u>	<u>1,818</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,761</u>	<u>\$ 509</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	IDEA B, Discretionary 24107	IDEA B, Preschool 24109	Title V Innovative 24150
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	678	4,119	0
Miscellaneous	0	0	0
Total Revenues	<u>678</u>	<u>4,119</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	4,119	0
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	678	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>678</u>	<u>4,119</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Teacher/ Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Rural Education Achievement Program 25233
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	14,648	2,484	17,105
Miscellaneous	0	0	0
Total Revenues	<u>14,648</u>	<u>2,484</u>	<u>17,105</u>
Expenditures			
Current			
Instruction	14,648	1,723	16,079
Support Service-Students	0	0	0
Support Service-Instruction	0	761	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Central Services	0	0	1,026
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>14,648</u>	<u>2,484</u>	<u>17,105</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	ITFS/FCC 26111	Rural Vision 26127	Technology for Education 27117
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	1,200	0	4,838
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>1,200</u>	<u>0</u>	<u>4,838</u>
Expenditures			
Current			
Instruction	0	0	4,735
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>4,735</u>
Excess (Deficiency) of Revenues Over Expenditures	1,200	0	103
Fund Balances at Beginning of Year	<u>6,000</u>	<u>24,347</u>	<u>1,566</u>
Fund Balance End of Year	<u>\$ 7,200</u>	<u>\$ 24,347</u>	<u>\$ 1,669</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Incentives for School Improvements <u>27138</u>	Beginning Teacher Mentoring <u>27154</u>	Library GO Bonds <u>27170</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	1,003	0
Federal Grants	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>1,003</u>	<u>0</u>
Expenditures			
Current			
Instruction	1,810	0	0
Support Service-Students	0	0	0
Support Service-Instruction	0	1,003	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,810</u>	<u>1,003</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,810)	0	0
Fund Balances at Beginning of Year	<u>1,973</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 163</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>Special Revenue</u>		<u>Capital Outlay</u>
	State Directed Activities <u>27200</u>	Library Book <u>27549</u>	Capital Outlay-State <u>31400</u>
Revenues			
Property Taxes	0 \$	0 \$	0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	666	14,912
Federal Grants	65,498	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>65,498</u>	<u>666</u>	<u>14,912</u>
Expenditures			
Current			
Instruction	44,728	0	0
Support Service-Students	10,976	0	0
Support Service-Instruction	0	666	0
Support Service-General Administration	0	0	0
Support Service-School Administration	9,794	0	0
Central Services	0	0	0
Food Services Operations	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>15,012</u>
Total Expenditures	<u>65,498</u>	<u>666</u>	<u>15,012</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(100)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>100</u>
Fund Balance End of Year	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>Debt Service</u>	
	<u>Debt Service 41000</u>	<u>Total</u>
Revenues		
Property Taxes	\$ 17	\$ 17
Interest Income	0	4
Fees	0	46,267
State & Local Grants	0	22,619
Federal Grants	0	230,785
Miscellaneous	<u>0</u>	<u>0</u>
Total Revenues	<u>17</u>	<u>299,692</u>
Expenditures		
Current		
Instruction	0	168,640
Support Service-Students	0	10,976
Support Service-Instruction	0	2,430
Support Service-General Administration	1	1
Support Service-School Administration	0	10,472
Central Services	0	1,026
Food Services Operations	0	96,008
Capital Outlay	<u>0</u>	<u>15,012</u>
Total Expenditures	<u>1</u>	<u>304,565</u>
Excess (Deficiency) of Revenues Over Expenditures	16	(4,873)
Fund Balances at Beginning of Year	<u>345</u>	<u>45,883</u>
Fund Balance End of Year	<u>\$ 361</u>	<u>\$ 41,010</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 200	\$ 200	\$ 4	\$ (196)
Fees	27,617	27,617	25,570	(2,047)
Federal Grant	51,484	57,634	61,455	3,821
Total Revenues	<u>79,301</u>	<u>85,451</u>	<u>87,029</u>	<u>1,578</u>
Expenditures				
Food Service Operations				
Personnel Services	21,496	21,616	20,787	829
Employee Benefits	16,297	13,750	12,844	906
Professional and Tech Service	0	357	357	0
Supplies	47,700	55,920	55,920	0
Total Food Services Operations	<u>85,493</u>	<u>91,643</u>	<u>89,908</u>	<u>1,735</u>
Total Expenditures	<u>85,493</u>	<u>91,643</u>	<u>89,908</u>	<u>1,735</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,192)	(6,192)	(2,879)	3,313
Cash Balance Beginning of Year	<u>6,192</u>	<u>6,192</u>	<u>6,192</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,313</u>	<u>\$ 3,313</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,879)	
Net Change in Due from Grantor			(94)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,973)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 21,500	\$ 24,500	\$ 20,698	\$ (3,802)
Total Revenues	<u>21,500</u>	<u>24,500</u>	<u>20,698</u>	<u>(3,802)</u>
Expenditures				
Instruction				
Professional and Tech Service	0	365	365	0
Purchased Services	21,712	19,500	18,938	562
Supplies	2,000	6,453	6,452	1
Total Instruction	<u>23,712</u>	<u>26,318</u>	<u>25,755</u>	<u>563</u>
Total Expenditures	<u>23,712</u>	<u>26,318</u>	<u>25,755</u>	<u>563</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,212)	(1,818)	(5,057)	(3,239)
Cash Balance Beginning of Year	<u>5,566</u>	<u>5,566</u>	<u>5,566</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,354</u>	<u>\$ 3,748</u>	<u>\$ 509</u>	<u>\$ (3,239)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,057)	
Net change in Accounts Payable			<u>3,748</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,309)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 81,876	81,876	\$ 80,762	\$ (1,114)
Total Revenues	<u>81,876</u>	<u>81,876</u>	<u>80,762</u>	<u>(1,114)</u>
Expenditures				
Instruction				
Personnel Services	40,699	40,630	40,630	0
Employee Benefits	15,746	15,795	15,782	13
Supplies	2,521	1,430	1,270	160
Fixed Assets	0	1,111	1,111	0
Total Instruction	<u>58,966</u>	<u>58,966</u>	<u>58,793</u>	<u>173</u>
Total Expenditures	<u>58,966</u>	<u>58,966</u>	<u>58,793</u>	<u>173</u>
Excess (Deficiency) of Revenues Over Expenditures	22,910	22,910	21,969	(941)
Cash Balance Beginning of Year	<u>(22,910)</u>	<u>(22,910)</u>	<u>(22,910)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (941)</u>	<u>\$ (941)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 21,969	
Net change in Due from Grantor			<u>(21,969)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE-IDEA B, DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 24,247	\$ 25,897	\$ 24,247	\$ (1,650)
Total Revenues	<u>24,247</u>	<u>25,897</u>	<u>24,247</u>	<u>(1,650)</u>
Expenditures				
Support Services-School Administration				
Professional & Tech Services	0	1,650	678	972
Total Support Services-School Administration	<u>0</u>	<u>1,650</u>	<u>678</u>	<u>972</u>
Total Expenditures	<u>0</u>	<u>1,650</u>	<u>678</u>	<u>972</u>
Excess (Deficiency) of Revenues Over Expenditures	24,247	24,247	23,569	(678)
Cash Balance Beginning of Year	<u>(24,247)</u>	<u>(24,247)</u>	<u>(24,247)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (678)</u>	<u>\$ (678)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 23,569	
Net change in Due from Grantor			<u>(23,569)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B, PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,587	\$ 5,145	\$ 4,439	\$ (706)
Total Revenues	<u>3,587</u>	<u>5,145</u>	<u>4,439</u>	<u>(706)</u>
Expenditures				
Instruction				
Salaries Expense	1,519	1,519	1,519	0
Employee Benefits	1,367	744	740	4
Other Purchased Services	0	113	112	1
Supplies	0	2,068	1,748	320
Total Instruction	<u>2,886</u>	<u>4,444</u>	<u>4,119</u>	<u>325</u>
Total Expenditures	<u>2,886</u>	<u>4,444</u>	<u>4,119</u>	<u>325</u>
Excess (Deficiency) of Revenues Over Expenditures	701	701	320	(381)
Cash Balance Beginning of Year	<u>(701)</u>	<u>(701)</u>	<u>(701)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (381)</u>	<u>\$ (381)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 320	
Net change in Due from Grantor			<u>(320)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE V INNOVATIVE-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 301	\$ 301	\$ 222	\$ (79)
Total Revenues	<u>301</u>	<u>301</u>	<u>222</u>	<u>(79)</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	301	301	222	(79)
Cash Balance Beginning of Year	<u>(301)</u>	<u>(301)</u>	<u>(301)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (79)</u>	<u>\$ (79)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 222	
Net change in Due from Grantor			<u>(222)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING & RECRUITING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 14,781	\$ 14,776	\$ 14,688	\$ (88)
Total Revenues	<u>14,781</u>	<u>14,776</u>	<u>14,688</u>	<u>(88)</u>
Expenditures				
Instruction				
Personnel Services	12,100	12,095	12,095	0
Employee Benefits	2,495	2,495	2,492	3
Supplies	85	85	62	23
Total Instruction	<u>14,680</u>	<u>14,675</u>	<u>14,649</u>	<u>26</u>
Total Expenditures	<u>14,680</u>	<u>14,675</u>	<u>14,649</u>	<u>26</u>
Excess (Deficiency) of Revenues Over Expenditures	101	101	39	(62)
Cash Balance Beginning of Year	<u>(101)</u>	<u>(101)</u>	<u>(101)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (62)</u>	<u>\$ (62)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 39	
Net change in Due from Grantor			<u>(39)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITY-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 2,160	\$ 3,660	\$ 3,657	\$ (3)
Total Revenues	<u>2,160</u>	<u>3,660</u>	<u>3,657</u>	<u>(3)</u>
Expenditures				
Instruction				
Supplies	224	1,724	1,723	1
Total Instruction	<u>224</u>	<u>1,724</u>	<u>1,723</u>	<u>1</u>
Support Services-Instruction				
Salaries Expense	638	627	627	0
Employee Benefits	125	136	134	2
Total Support Services-Instruction	<u>763</u>	<u>763</u>	<u>761</u>	<u>2</u>
Total Expenditures	<u>987</u>	<u>2,487</u>	<u>2,484</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	1,173	1,173	1,173	0
Cash Balance Beginning of Year	<u>(1,173)</u>	<u>(1,173)</u>	<u>(1,173)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,173	
Net Change in Due from Grantor			<u>(1,173)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 17,108	\$ 17,105	\$ (3)
Total Revenues	<u>0</u>	<u>17,108</u>	<u>17,105</u>	<u>(3)</u>
Expenditures				
Instruction				
Supplies	0	2,099	2,099	0
Fixed Assets	0	13,980	13,980	0
Total Instruction	<u>0</u>	<u>16,079</u>	<u>16,079</u>	<u>0</u>
Central Services				
Personnel Services	0	855	855	0
Employee Benefits	0	174	171	3
Total Central Services	<u>0</u>	<u>1,029</u>	<u>1,026</u>	<u>3</u>
Total Expenditures	<u>0</u>	<u>16,253</u>	<u>17,105</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	855	0	(855)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 855</u>	<u>\$ 0</u>	<u>\$ (855)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ITFS/FCC-26111
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 1,200	\$ 1,200
Total Revenues	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>1,200</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,200	1,200
Cash Balance Beginning of Year	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 7,200</u>	<u>\$ 1,200</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,200</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,200</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL VISION-26127
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State Grant	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>24,347</u>	<u>24,347</u>	<u>0</u>	<u>24,347</u>
Total Instruction	<u>24,347</u>	<u>24,347</u>	<u>0</u>	<u>24,347</u>
Total Expenditures	<u>24,347</u>	<u>24,347</u>	<u>0</u>	<u>24,347</u>
Excess (Deficiency) of Revenues Over Expenditures	(24,347)	(24,347)	0	24,347
Cash Balance Beginning of Year	<u>24,347</u>	<u>24,347</u>	<u>24,347</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>24,347</u>	\$ <u>24,347</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 4,886	\$ 4,838	\$ (48)
Total Revenues	<u>0</u>	<u>4,886</u>	<u>4,838</u>	<u>(48)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	1,170	1,019	151
Supplies	0	2,414	1,244	1,170
Fixed Assets	<u>0</u>	<u>2,472</u>	<u>2,472</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>6,056</u>	<u>4,735</u>	<u>1,321</u>
Total Expenditures	<u>0</u>	<u>6,056</u>	<u>4,735</u>	<u>1,321</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,170)	103	1,273
Cash Balance Beginning of Year	<u>1,566</u>	<u>1,566</u>	<u>1,566</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,566</u>	<u>\$ 396</u>	<u>\$ 1,669</u>	<u>\$ 1,273</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>103</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>103</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,973	\$ 0	\$ (1,973)
Total Revenues	<u>0</u>	<u>1,973</u>	<u>0</u>	<u>(1,973)</u>
Expenditures				
Instruction				
Supplies	0	1,669	1,506	163
Fixed Assets	0	304	304	0
Total Instruction	<u>0</u>	<u>1,973</u>	<u>1,810</u>	<u>163</u>
Total Expenditures	<u>0</u>	<u>1,973</u>	<u>1,810</u>	<u>163</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,810)	(1,810)
Cash Balance Beginning of Year	<u>1,973</u>	<u>1,973</u>	<u>1,973</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,973</u>	<u>\$ 1,973</u>	<u>\$ 163</u>	<u>\$ (1,810)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,810)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,810)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,003	\$ 1,003	\$ 0
Total Revenues	<u>0</u>	<u>1,003</u>	<u>1,003</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	331	331	0
Fixed Assets	<u>0</u>	<u>672</u>	<u>672</u>	<u>0</u>
Total Support Services-Instruction	<u>0</u>	<u>1,003</u>	<u>1,003</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,003</u>	<u>1,003</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 9,363	\$ 9,363	\$ 9,363	\$ 0
Total Revenues	<u>9,363</u>	<u>9,363</u>	<u>9,363</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	9,363	9,363	9,363	0
Cash Balance Beginning of Year	<u>(9,363)</u>	<u>(9,363)</u>	<u>(9,363)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,363	
Net change in Due from Grantor			<u>(9,363)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 65,506	\$ 64,939	\$ (567)
Total Revenues	<u>0</u>	<u>65,506</u>	<u>64,939</u>	<u>(567)</u>
Expenditures				
Instruction				
Personnel Services	0	27,831	27,830	1
Employee Benefits	0	15,914	15,910	4
Professional & Tech Services	0	478	477	1
Supplies	0	511	511	0
Total Instruction	<u>0</u>	<u>44,734</u>	<u>44,728</u>	<u>6</u>
Support Services-Students				
Professional & Tech Services	0	10,976	10,976	0
Total Support Services-Students	<u>0</u>	<u>10,976</u>	<u>10,976</u>	<u>0</u>
Support Services-School Administration				
Personnel Services	0	7,500	7,500	0
Employee Benefits	0	2,249	2,247	2
Supplies	0	47	47	0
Total Support Services-School Administration	<u>0</u>	<u>9,796</u>	<u>9,794</u>	<u>2</u>
Total Expenditures	<u>0</u>	<u>65,506</u>	<u>65,498</u>	<u>8</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(559)	(559)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (559)</u>	<u>\$ (559)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (559)	
Net change in Due from Grantor			<u>559</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY BOOK-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 666	\$ 666	\$ 0
Total Revenues	<u>0</u>	<u>666</u>	<u>666</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	666	666	0
Total Support Services-Instruction	<u>0</u>	<u>666</u>	<u>666</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>666</u>	<u>666</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 CAPITAL OUTLAY STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,400	\$ 14,913	\$ 14,912	\$ (1)
Total Revenues	<u>2,400</u>	<u>14,913</u>	<u>14,912</u>	<u>(1)</u>
Expenditures				
Capital Outlay				
Building Improvements	2,500	15,013	15,012	1
Total Capital Outlay	<u>2,500</u>	<u>15,013</u>	<u>15,012</u>	<u>1</u>
Total Expenditures	<u>2,500</u>	<u>15,013</u>	<u>15,012</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(100)</u>	<u>(100)</u>	<u>(100)</u>	<u>0</u>
Cash Balance Beginning of Year	<u>100</u>	<u>100</u>	<u>100</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (100)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (100)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 0	\$ 0	110	\$ 110
Total Revenues	<u>0</u>	<u>0</u>	<u>110</u>	<u>110</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>0</u>	<u>61</u>	<u>1</u>	<u>60</u>
Total Support Services-General Administration	<u>0</u>	<u>61</u>	<u>1</u>	<u>60</u>
Total Expenditures	<u>0</u>	<u>61</u>	<u>1</u>	<u>60</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(61)</u>	<u>109</u>	<u>170</u>
Cash Balance Beginning of Year	<u>252</u>	<u>252</u>	<u>252</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 252</u>	<u>\$ 191</u>	<u>\$ 361</u>	<u>\$ 170</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 109</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 109</u>	

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

	Beginning Balance 6/30/08	Additions	Deletions	Ending Balance 6/30/09
ASSETS				
General	\$ 2,849	\$ 3,911	\$ 3,515	\$ 3,245
FFA	2,692	21,783	22,971	1,504
FCCLA	1,403	5,873	3,475	3,801
Concession	4,107	20,585	21,841	2,851
BPA	49	12,729	11,464	1,314
Vo Ag Shop	809	20	0	829
Elementary	4,776	16,268	16,688	4,356
Football	0	9,986	4,742	5,244
Class of 2009	1,228	274	1,502	0
Girls Athletics	1,495	8,205	6,872	2,828
Volleyball	0	5,737	2,532	3,205
Boys Athletics	7	5,929	4,650	1,286
Student Council	175	1,755	1,552	378
Yearbook	1,018	4,065	4,296	787
Activity Bus	1,918	9,019	9,875	1,062
Music	688	1,582	961	1,309
Interest	477	415	0	892
Cheerleaders	1,757	15,288	9,945	7,100
Class of 2010	0	9,011	7,863	1,148
Baseball	0	2,296	1,568	728
Science Club	1,815	2,429	2,769	1,475
Girls Track	0	2,120	2,107	13
Certificate of Deposit	14,953	642	0	15,595
Total Assets	<u>\$ 42,216</u>	<u>\$ 159,922</u>	<u>\$ 141,188</u>	<u>\$ 60,950</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 42,216</u>	<u>\$ 159,922</u>	<u>\$ 141,188</u>	<u>\$ 60,950</u>
Total Liabilities	<u>\$ 42,216</u>	<u>\$ 159,922</u>	<u>\$ 141,188</u>	<u>\$ 60,950</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Cash Reconciliation-All Funds
For the Year Ended June 30, 2009

		Beginning Cash Cash Balance	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance
Operations	11000	\$ 215,811	\$ 2,431,413	\$ 2,423,407	\$ 0	\$ 223,817
Transportation	13000	4	314,560	314,563	0	1
Instructional Materials	14000	3,711	33,105	32,903	0	3,913
Food Services	21000	6,192	87,029	89,908	0	3,313
Athletics	22000	5,566	20,698	25,754	0	510
Activities	23000	42,216	159,922	141,188	0	60,950
Federal Flowthrough	24000	(90,770)	244,864	198,728	0	(44,634)
Federal Direct	25000	0	17,105	17,105	0	0
Local Grants	26000	30,347	1,200	0	0	31,547
State Flowthrough	27000	(5,824)	80,809	73,711	0	1,274
Special Capital Outlay State	31400	100	14,912	15,012	0	0
SB-9	31700	147,563	85,899	36,899	0	196,563
Debt Service	41000	252	110	1	0	361
Total		\$ 355,168	\$ 3,491,626	\$ 3,369,179	\$ 0	\$ 477,615

The notes to the financial statements are an integral part of this statement.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the MELROSE MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the General Fund and major special revenue fund, and the combining individual funds presented as supplemental information of the MELROSE MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, a combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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 the District's financial statements are free of material misstatement, we performed tests of 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 the audit, and that, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than

De'Ann Willoughby, CPA PC

November 6, 2009

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Schedule of Findings and Responses
For the Year Ended June 30, 2009

Prior Year Audit Findings

There were no prior year audit findings

Current Year Audit Findings

There are no current year audit findings.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held November 6, 2009. Present were Ronald Windom-Superintendent, Pamela Beevers-Business Manager, Keith McAlister- Board Secretary, and DeAun Willoughby, CPA.