

**STATE OF NEW MEXICO
AZTEC MUNICIPAL SCHOOLS**

**FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION
WITH ACCOMPANYING AUDITORS' REPORTS**

FOR THE YEAR ENDED JUNE 30, 2011

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO

Aztec Municipal Schools

Official Roster

June 30, 2011

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Mitch Waggoner		President
Roger Collins		Vice President
Wayne Farmer		Secretary
Christy Lillywhite		Member
Wayne Ritter		Member
	<u>School Officials</u>	
Kirk Carpenter		Superintendent
Tania Prokop		Deputy Superintendent
Christa Kulidge		Director of Exceptions Programs
Ryan Manning		Director of Finance
Bob Schryver		Director of Food Services
Judy Englehart		Director of Instruction
Charlie Lee		Director of Maintenance
Nathan Holmes		Director of Technology
Riley Roland		Director of Transportation

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Aztec Municipal Schools
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Aztec Municipal Schools
Aztec, New Mexico

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the budgetary comparison for the General Fund and the aggregate remaining fund information of Aztec Municipal Schools (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds, the component unit funds and the respective budgetary comparisons for the major capital projects funds, the debt service fund, the nonmajor governmental funds, and the component unit funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aztec Municipal Schools, as of June 30, 2011, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, and each component unit fund of the District, as of June 30, 2011, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the major capital projects funds, the debt service fund, the nonmajor governmental funds and the component unit funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages 14 through 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as Supporting Schedules I through IV in the table of contents is presented for purposes of additional analysis and is 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 basic financial statements and each of the nonmajor governmental fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and the nonmajor governmental fund financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 9, 2011

STATE OF NEW MEXICO
Aztec Municipal Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2011

The information presented in this section of the District's annual financial report may be new to the reader. This information aligns with requirements of the Governmental Accounting Standards Board (GASB) that establishes accounting and reporting standards for governmental entities. With the issuance of GASB's Statement 34, a written narrative discussion and analysis of the financial performance of the District will be included. This section should provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions. The financial managers of governments (in this case, the District) are knowledgeable about the transactions, events, and conditions that are reflected in the District's financial report and of the fiscal policies that govern its operations. Management's discussion and analysis provides financial managers with the opportunity to present both a short- and a long-term analysis of the District's activities. Requirements established by GASB 34 are general rather than specific to encourage effective reporting by including only the most relevant information and, where appropriate, refer to the accompanying financial statements. Management will explain the District's financial position and include the reasons the position is improved, deteriorated, or the same when compared to the prior year. The analysis will be based on currently known facts as of the date of the auditors' report.

Introduction

The financial performance of the Aztec Municipal Schools for the fiscal year ended June 30, 2011 will be the subject of this discussion and analysis. The purpose is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

Financial Highlights

Key events for the fiscal year 2011 are:

- The District maintained a strong **Aa3** rating from Moody's Investor Services for the sale of General Obligation Bonds. During the fiscal year ending June 30, 2011, the District's debt management program produced a tax rate for debt at \$4.64 per thousand dollars of assessed valuation. This rate decreased from \$5.50 in the prior year.
- Total Assets of Governmental Activities was \$89,790,644 (Ex. A-1)
- Total Liabilities of Governmental Activities was \$52,689,119 (Ex. A-1)
- Net Assets of Governmental Activities was \$37,101,525 (Ex. A-1)
- General Fund revenues exceeded expenditures by \$484,881 resulting in a year-end fund balance of \$1,942,671 (Ex. B-2)
- All assets, including real estate and buildings, were recorded and accumulated depreciation on these assets was also recorded in the conversion to this requirement. Capital assets of \$109,774,562 with accumulated depreciation of \$43,850,869 were recorded. (Note 6)

Basic Financial Statements This annual report introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The Statement of Net Assets and Statement of Activities are district-wide (government) information that presents both an aggregate view of the District's finances and a longer-term view of trends. The next level of information is in the fund level financial statements. A fund is an accountability unit used to maintain control over resources for specified activities or objectives. The fund financial statements will look at the District's most significant funds while combining all other non-major funds into a single summary

STATE OF NEW MEXICO
Aztec Municipal Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2011

Government Wide Financial Statements

Statement of Net Assets – This is a District-wide statement including all assets and liabilities using an accrual basis of accounting. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets and liabilities are reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Summary of Statement of Net Assets

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>Assets</u>		
Current assets	\$ 19,716,780	\$ 13,916,952
Capital asset	109,774,562	102,598,754
Accumulated depreciation	(43,850,859)	(41,029,519)
Other noncurrent assets	<u>4,150,171</u>	<u>4,718,025</u>
 Total assets	 <u>\$ 89,790,644</u>	 <u>\$ 81,052,504</u>
<u>Liabilities</u>		
Accounts payable	\$ 1,471,444	\$ 1,016,413
Accrued interest	378,242	397,476
Other current liabilities	3,108,470	3,532,037
Long-term liabilities	<u>47,730,963</u>	<u>37,716,641</u>
 Total liabilities	 <u>52,689,119</u>	 <u>42,662,567</u>
<u>Net Assets</u>		
Invested in capital assets	18,598,693	17,940,763
Restricted: Debt service	3,293,480	7,968,069
Restricted: Capital projects	2,929,142	9,879,439
Restricted: Other Purpose	217,404	490,949
Unrestricted	<u>12,062,806</u>	<u>2,110,717</u>
 Total net assets	 <u>\$ 37,101,525</u>	 <u>\$ 38,389,937</u>

Statement of Activities – This is a District-wide statement that reports how the District's net assets changed during the fiscal year. This report compliments the Statement of Net Assets by being designed to show the financial reliance on various sources of revenue used for the functions or activities provided by the District.

Both of these statements, Net Assets and Activities, include activity of the District that may be classified in three distinct types:

Governmental Activities – All of the District's programs and services are considered governmental and include the instructional program, support services, operation and maintenance of plant, pupil transportation, and activities.

Component Unit Activities – Activities for which financial reporting is required within the primary unit (the District) but for which governance and oversight is assigned to the component unit. The Mosaic Charter School is defined as a component unit of the District. (See Statements D)

STATE OF NEW MEXICO
Aztec Municipal Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2011

Summary of Statement of Activities

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	\$ 548,872	\$ 517,477
Operating grants	4,896,492	6,105,381
Capital grants	65,355	170,289
General revenues:		
Property taxes	2,593,313	2,731,404
Federal and state aid	20,108,394	19,519,359
Other	<u>3,833,792</u>	<u>4,726,221</u>
 Total revenues	 <u>32,046,218</u>	 <u>33,770,131</u>
 <u>Expenses</u>		
Instruction	15,179,345	16,265,520
Support services	14,770,170	13,189,073
Food service	1,190,336	1,040,416
Interest on long term debt	<u>2,194,779</u>	<u>1,628,095</u>
 Total expenses	 <u>33,334,630</u>	 <u>32,123,104</u>
 Changes in net assets	 <u>\$ (1,288,412)</u>	 <u>\$ 1,647,027</u>

Fund Financial Statements

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, Bond Building, Capital Improvement SB-9, and Debt Service Fund.

Governmental Funds

Governmental funds encompass most of the District's activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported in the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

Governmental Activities

This statement of activity reports the cost of program services and the charges of services, and the revenues that are received to perform these services. The Statement of Activities (Exhibit A-2) for governmental activities, reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico Legislature and the operation of the Equalization Guarantee Formula for operational funding by the New Mexico Department of Education have minimized local tax support for public education. This fund pays for teaching staff, instructional support staff, administrative staff and maintenance staff. This represents 63% of the budgeted total revenue received in fiscal year 2011.

STATE OF NEW MEXICO
Aztec Municipal Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2011

The State of New Mexico through the Public Education Department establishes annually a "Unit Value" that is used, along with student membership and the Equalization Guarantee Formula factors, to determine the amount of State support to be received by individual districts. The Unit Value has decreased over the past couple of years; while the District membership remained mostly flat lending to decreases in State support through the Equalization Guarantee. The District suspects the unit value will continue this downward trend.

School District Funds

The District's total governmental funds had revenues of \$32,024,099 and expenditures of \$40,082,267. The net change in the governmental fund balance for the fiscal year decreased \$8,058,168. These governmental funds are accounted for using the modified accrual basis of accounting as required by the New Mexico Public Education Department.

General Fund Budgeting Highlights

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The District follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined. District management and the Board of Education utilize a continuous improvement model for student success and district improvement. The General Fund is the most significant budgeted fund; other major funds, as defined in GASB 34 are the Bond Building, Capital Improvement SB-9, and Debt Service Fund.

The General Fund had final budgeted revenues of \$21,945,661 and actual cash basis revenue of \$21,856,456. Expenditures were budgeted at \$23,553,448 and actual cash basis expenditures were \$21,329,027. The difference between budget and actual expenditures was due to budgetary savings/requirements within the budget and allowable cash balance. General Fund balance at year end was \$1,942,671.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2011 the District had \$109,774,562 invested in capitalized assets and had accumulated depreciation of \$43,850,869 (Notes to Financial Statements Note 6). A systematic process is in place that adds newly acquired capital assets, deletes capital assets that are disposed of and requires local school sites to verify possession of capital assets at individual locations. During the fiscal year the major additions included the construction in progress with the erecting of a new school building at Koogler Middle School, the completion of construction at Vista Nueva and remodeling at Park Avenue Elementary School.

Long Term Debt

The District may incur general obligation debt under the terms of Article IX, Section 11 of the New Mexico Constitution. The approval of such general obligation is dependent upon local voter approval and is limited to 6% of the assessed valuation of taxable property within the District. As of June 30, 2011 the District had outstanding General Obligation bonds in the amount of \$47,325,000. The District is bonded to 96.30% of the legal limit of \$49,144,905 based on assessed property value of \$819,081,744.

STATE OF NEW MEXICO
Aztec Municipal Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2011

FUTURE TRENDS

Capital funding from State sources was not defined in a formula such as the operational fund prior to 1999. A State District Court monitors the State's performance in this funding; a status hearing regarding the State's progress toward uniform and sufficient capital funding may occur at the order of the Court. Capital funding is expected to continue at current levels to assist the District in replacement, renovation and construction of school buildings. Separately, the District's long-range debt plan, anticipates a General Obligation debt above 90% to coordinate with State capital outlay funds and the required match of funds by the District.

The District completed and approved a five (5) year facilities master plan (FMP) in September, 2011. This plan is compliant with the Public School Facilities Authority (PSFA) guidelines and serves as a working document for future facility needs within the School District. The total estimated cost of capital improvement projects established to address critical needs in schools via the district's FMP is \$16,648,455 in 2011 dollars. The District plans no immediate growth related projects based upon current enrollment projects. The District plans to actively apply for future Public School Capital Outlay awards in order to bring substandard facilities up to adequacy standards.

The State of New Mexico provides public school capital funding through the Public School Capital Outlay Council (PSCOC). Current legislation regulates distribution of funds calls for "matching" of capital funds between the District and State. The District's match is 90% which in turn is matched by State resources in the amount of 10% for capital awards from the PSCOC. The District intends to actively pursue grant awards for capital outlay from this source based upon the condition index of district facilities as established by the PSFA.

The district has a renewed commitment to openness and transparency and has presented a performance based budgeting document to the Board of Education which means the District will fund what works, using the budget to drive results, such as improved student performance. Performance based budgeting is going to be a key framework for how we drive the dollars to the programs and practices that are valued and need to improve outcomes for all children. The district will tie budget investments to expected performance outcomes and in doing so outcomes will drive budgetary decision rather than the budget dictating programming. The performance based budget will allow the District to ensure that budget investments are well-aligned and articulated with clear lines of accountability.

STATE OF NEW MEXICO
Aztec Municipal Schools
Management's Discussion and Analysis
For the Fiscal Year Ended
June 30, 2011

CONTACTING THE DISTRICT

This financial report is designed to provide the reader, citizens, taxpayers, investors and other patrons with a general overview of the Aztec Municipal Schools financial condition and to provide accountability for the funds the District receives. Questions about this financial report or the operations of the District may be directed to:

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Director of Finance
Aztec Municipal Schools
1118 W. Aztec Blvd
Aztec, NM 87410
admanny@aztec.k12.nm.us
505-334-9474

Kirk Carpenter
Superintendent
Aztec Municipal Schools
1118 W. Aztec Blvd
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adcarpki@aztec.k12.nm.us
505-334-9474

Other District information may be accessed at:

www.aztecschools.com

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Aztec Municipal Schools

Statement of Net Assets

June 30, 2011

	<u>Primary Government</u>	
	<u>Governmental</u>	
	<u>Activities</u>	<u>Component Unit</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 18,559,161	\$ 416,150
Receivables		
Property taxes receivable	206,675	-
Other taxes receivable	279,872	-
Due from other governments	602,587	12,119
Other receivables	59,991	1
Inventory	<u>8,494</u>	<u>-</u>
Total current assets	<u>19,716,780</u>	<u>428,270</u>
Noncurrent assets		
Restricted assets		
Cash and cash equivalents	3,657,841	-
Bond issuance costs (net of accumulated amortization of \$110,684)	492,330	-
Capital assets	109,774,562	349,644
Less: accumulated depreciation	<u>(43,850,869)</u>	<u>(85,386)</u>
Total noncurrent assets	<u>70,073,864</u>	<u>264,258</u>
Total assets	<u>\$ 89,790,644</u>	<u>\$ 692,528</u>

The accompanying notes are an integral part of these financial statements

	<u>Primary Government</u>	
	Governmental	
	Activities	Component Unit
Liabilities		
Current liabilities		
Accounts payable	\$ 1,471,444	\$ 2,593
Accrued payroll	752,248	29,150
Due to PED	12,621	-
Accrued interest	378,242	-
Current portion of accrued compensated absences	43,601	-
Current portion of capital lease payable	-	3,120
Current portion of bonds payable	2,300,000	-
Total current liabilities	<u>4,958,156</u>	<u>34,863</u>
Noncurrent liabilities		
Accrued compensated absences	153,533	-
Bond underwriter premiums (net of accumulated amortization of \$34,332)	2,552,430	-
Capital lease payable	-	3,380
Bonds payable	45,025,000	-
Total noncurrent liabilities	<u>47,730,963</u>	<u>3,380</u>
Total liabilities	<u>52,689,119</u>	<u>38,243</u>
Net assets		
Invested in capital assets, net of related debt	18,598,693	257,758
Restricted for:		
Special revenue	217,404	25,340
Debt service	3,293,480	-
Capital projects	2,929,142	4,057
Unrestricted	12,062,806	367,130
Total net assets	<u>37,101,525</u>	<u>654,285</u>
Total liabilities and net assets	<u>\$ 89,790,644</u>	<u>\$ 692,528</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental Activities:			
Instruction	\$ 15,179,345	\$ 36,219	\$ 1,584,504
Support services - students	2,125,959	5,073	221,919
Support services - instruction	2,637,636	6,294	275,331
Support services - general administration	1,830,337	4,367	191,061
Support services - school administration	1,904,347	4,544	198,786
Central services	611,232	1,458	63,804
Operation and maintenance of plant	4,160,050	9,926	434,249
Student transportation	1,491,927	-	1,120,732
Other support services	8,682	21	906
Food services operations	1,190,336	480,970	805,200
Interest on long-term debt	2,194,779	-	-
	<u>\$ 33,334,630</u>	<u>\$ 548,872</u>	<u>\$ 4,896,492</u>
<i>Total governmental activities</i>			
Component Unit Activities:			
Charter school	\$ 1,366,306	\$ -	\$ 124,178
	<u>\$ 1,366,306</u>	<u>\$ -</u>	<u>\$ 124,178</u>

General Revenues:

- Taxes;
 - Property taxes, levied for operating programs
 - Property taxes, levied for debt services
 - Property taxes, levied for capital projects
- Oil and gas taxes
- State equalization guarantee
- Interest and investment earnings
- Miscellaneous
- Loss on disposition of assets

Total general revenues

Changes in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of these financial statements

<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Charter School</u>
\$ 34,861	\$ (13,523,762)	\$ -
4,882	(1,894,085)	-
6,058	(2,349,954)	-
4,204	(1,630,705)	-
4,373	(1,696,643)	-
1,404	(544,566)	-
9,554	(3,706,321)	-
-	(371,195)	-
20	(7,735)	-
-	95,834	-
-	(2,194,779)	-
<u>\$ 65,355</u>	(27,823,911)	-
<u>\$ 115,107</u>		(1,127,021)
	137,816	-
	1,730,857	-
	724,640	-
	3,799,608	-
	20,108,394	1,157,075
	25,543	-
	27,387	-
	(18,746)	-
	<u>26,535,499</u>	<u>30,054</u>
	(1,288,412)	30,054
	<u>38,389,937</u>	<u>624,231</u>
	<u>\$ 37,101,525</u>	<u>\$ 654,285</u>

STATE OF NEW MEXICO

Aztec Municipal Schools

Governmental Funds

Balance Sheet

June 30, 2011

	<u>General Fund</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 1,785,341	\$ 10,585,805	\$ 5,606,421
Property taxes receivable	10,458	-	56,739
Other taxes receivable	24,334	-	77,714
Due from other governments	19,901	-	-
Other receivables	59,991	-	-
Inventory	-	-	-
Due from other funds	945,898	-	-
	<u>2,845,923</u>	<u>10,585,805</u>	<u>5,740,874</u>
<i>Total assets</i>	<u>\$ 2,845,923</u>	<u>\$ 10,585,805</u>	<u>\$ 5,740,874</u>
LIABILITIES AND FUND BALANCES			
<i>Current liabilities</i>			
Accounts payable	\$ 121,743	\$ 1,302,444	\$ 27,624
Accrued payroll	699,777	-	-
Accrued compensated absences	-	-	-
Deferred revenue	8,485	-	44,591
Due to other funds	73,247	-	-
	<u>903,252</u>	<u>1,302,444</u>	<u>72,215</u>
<i>Total liabilities</i>	<u>903,252</u>	<u>1,302,444</u>	<u>72,215</u>
<i>Fund balances</i>			
Nonspendable			
Inventory	-	-	-
Spendable			
Restricted for:			
Education	-	-	-
Food service operations	-	-	-
Capital acquisitions and improvements	-	9,283,361	5,668,659
Debt service	-	-	-
Committed for:			
Emergency reserves	128,450	-	-
Subsequent years expenditures	1,587,239	-	-
Unassigned	226,982	-	-
	<u>1,942,671</u>	<u>9,283,361</u>	<u>5,668,659</u>
<i>Total fund balances</i>	<u>1,942,671</u>	<u>9,283,361</u>	<u>5,668,659</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,845,923</u>	<u>\$ 10,585,805</u>	<u>\$ 5,740,874</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 3,657,841	\$ 581,594	\$ 22,217,002
139,478	-	206,675
177,824	-	279,872
-	582,686	602,587
-	-	59,991
-	8,494	8,494
-	-	945,898
<u>\$ 3,975,143</u>	<u>\$ 1,172,774</u>	<u>\$ 24,320,519</u>
\$ -	\$ 19,633	\$ 1,471,444
-	52,471	752,248
-	12,621	12,621
110,659	-	163,735
-	872,651	945,898
<u>110,659</u>	<u>957,376</u>	<u>3,345,946</u>
-	8,494	8,494
-	403,456	403,456
-	150,386	150,386
-	54	14,952,074
3,864,484	-	3,864,484
-	-	128,450
-	-	1,587,239
-	(346,992)	(120,010)
<u>3,864,484</u>	<u>215,398</u>	<u>20,974,573</u>
<u>\$ 3,975,143</u>	<u>\$ 1,172,774</u>	<u>\$ 24,320,519</u>

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STATE OF NEW MEXICO
Aztec Municipal Schools
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2011

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

Fund balances - total governmental funds	\$	20,974,573
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		65,923,693
Revenues not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		
Delinquent property taxes		163,735
Bond issuance cost (net of accumulated amortization)		492,330
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds		(378,242)
Bond underwriter premiums (net of accumulated amortization)		(2,552,430)
Certain liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		
Bonds payable		(47,325,000)
Current portion of accrued compensated absences		(43,601)
Long term portion of accrued compensated absences		(153,533)
		<hr style="border-top: 1px solid black;"/>
Total net assets - governmental activities	\$	<u><u>37,101,525</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	General Fund	Bond Building	Capital Improvements SB-9
<i>Revenues</i>			
Property taxes	\$ 135,166	\$ -	\$ 712,912
Oil and gas taxes	261,089	-	1,044,349
Intergovernmental revenue			
Federal flowthrough	19,901	-	-
Federal direct	601	-	-
State flowthrough	20,195,545	-	65,355
State direct	101,083	-	-
Transportation distribution	1,120,732	-	-
Charges for services	67,902	-	-
Investment income	11,729	277	8,568
Miscellaneous	27,387	-	-
<i>Total revenues</i>	<u>21,941,135</u>	<u>277</u>	<u>1,831,184</u>
<i>Expenditures</i>			
Current			
Instruction	13,203,342	-	-
Support services - students	1,777,867	-	-
Support services - instruction	358,640	-	-
Support services - general administration	327,954	-	1,326,922
Support services - school administration	1,558,250	-	-
Central services	491,107	-	-
Operation and maintenance of plant	2,450,663	1,113,288	-
Student transportation	1,279,749	-	-
Other support services	8,682	-	-
Food services operations	-	-	-
Capital outlay	-	5,740,067	620,688
Debt Service			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	165,340	-
<i>Total expenditures</i>	<u>21,456,254</u>	<u>7,018,695</u>	<u>1,947,610</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>484,881</u>	<u>(7,018,418)</u>	<u>(116,426)</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	12,200,000	-
Proceeds of refunding bonds	-	-	-
Bond premium	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>12,200,000</u>	<u>-</u>
<i>Net change in fund balances</i>	484,881	5,181,582	(116,426)
<i>Fund balances - beginning</i>	<u>1,457,790</u>	<u>4,101,779</u>	<u>5,785,085</u>
<i>Fund balances - ending</i>	<u>\$ 1,942,671</u>	<u>\$ 9,283,361</u>	<u>\$ 5,668,659</u>

The accompanying notes are an integral part of these financial statements

Debt Service Fund	Other Governmental Funds	Total
\$ 1,700,129	\$ -	\$ 2,548,207
2,494,170		3,799,608
-	2,247,192	2,267,093
-	1,172,183	1,172,784
-	20,018	20,280,918
-	131,872	232,955
-	-	1,120,732
-	480,970	548,872
4,503	466	25,543
-	-	27,387
<u>4,198,802</u>	<u>4,052,701</u>	<u>32,024,099</u>
-	1,841,118	15,044,460
-	318,255	2,096,122
-	20,000	378,640
16,829	50,647	1,722,352
-	314,423	1,872,673
-	98,212	589,319
-	483,072	4,047,023
-	19,794	1,299,543
-	-	8,682
-	1,177,623	1,177,623
-	6,321	6,367,076
3,375,000	-	3,375,000
1,705,107	-	1,705,107
233,307	-	398,647
<u>5,330,243</u>	<u>4,329,465</u>	<u>40,082,267</u>
<u>(1,131,441)</u>	<u>(276,764)</u>	<u>(8,058,168)</u>
-	-	12,200,000
22,025,000	-	22,025,000
2,436,817	-	2,436,817
(24,228,136)	-	(24,228,136)
-	12,975	12,975
-	(12,975)	(12,975)
<u>233,681</u>	<u>-</u>	<u>12,433,681</u>
(897,760)	(276,764)	4,375,513
4,762,244	492,162	16,599,060
<u>\$ 3,864,484</u>	<u>\$ 215,398</u>	<u>\$ 20,974,573</u>

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STATE OF NEW MEXICO

Aztec Municipal Schools

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	4,375,513
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay		6,367,076
Depreciation expense		(2,842,164)
Loss on disposal of capital assets		(18,746)

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

Change in deferred revenue related to property taxes receivable		40,865
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Expenses in the Statement of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Increase in accrued compensated absences		(61,250)
Decrease in accrued interest		19,234

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets

Refunding Bonds Payable		(22,025,000)
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Refunded Bonds Payable are reported as other financing uses in governmental funds, but decreases long-term liabilities in the Statement of Net Assets

		23,750,000
--	--	------------

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond issuance costs		(43,269)
Amortization of bond premiums		12,499
Bond premium capitalized		(2,436,817)
Bond issuance costs capitalized		398,647
Bond proceeds		(12,200,000)
Principal payments on bonds		3,375,000

Change in net assets of governmental activities	\$	<u>(1,288,412)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

Aztec Municipal Schools

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 129,070	\$ 129,070	\$ 134,307	\$ 5,237
Oil and gas taxes	525,973	525,973	257,040	(268,933)
Intergovernmental revenue				
Federal flowthrough	6,000	6,000	19,901	13,901
Federal direct	-	-	601	601
State flowthrough	20,602,629	19,880,596	20,115,653	235,057
State direct	-	112,314	101,083	(11,231)
Transportation distribution	1,247,343	1,190,702	1,120,732	(69,970)
Charges for services	66,150	66,150	68,023	1,873
Investment income	20,000	20,000	11,729	(8,271)
Miscellaneous	14,856	14,856	27,387	12,531
<i>Total revenues</i>	<u>22,612,021</u>	<u>21,945,661</u>	<u>21,856,456</u>	<u>(89,205)</u>
<i>Expenditures</i>				
Current				
Instruction	14,646,533	14,409,829	13,060,029	1,349,800
Support services - students	2,126,293	2,126,293	1,771,460	354,833
Support services - instruction	469,157	469,157	358,640	110,517
Support services - general administration	444,261	370,261	325,358	44,903
Support services - school administration	1,597,658	1,607,658	1,558,250	49,408
Central services	524,188	534,188	490,010	44,178
Operation and maintenance of plant	2,471,164	2,446,578	2,420,918	25,660
Student transportation	1,287,234	1,410,034	1,338,035	71,999
Other support services	179,450	179,450	6,327	173,123
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>23,745,938</u>	<u>23,553,448</u>	<u>21,329,027</u>	<u>2,224,421</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,133,917)</u>	<u>(1,607,787)</u>	<u>527,429</u>	<u>2,135,216</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,133,917	1,607,787	-	(1,607,787)
<i>Total other financing sources (uses)</i>	<u>1,133,917</u>	<u>1,607,787</u>	<u>-</u>	<u>(1,607,787)</u>
<i>Net change in fund balances</i>	-	-	527,429	527,429
<i>Fund balances - beginning</i>	-	-	2,130,563	2,130,563
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,657,992</u>	<u>\$ 2,657,992</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 527,429
Adjustments to revenue for property taxes, oil and gas taxes and state flowthrough grants				84,679
Adjustments to expenditures for salaries, general supplies and materials, and other contract services				(127,227)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 484,881</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Exhibit D-1

<i>Assets</i>	
Cash	<u>\$ 366,358</u>
<i>Total assets</i>	<u><u>\$ 366,358</u></u>
 <i>Liabilities</i>	
Due to student organizations	<u>\$ 366,358</u>
<i>Total liabilities</i>	<u><u>\$ 366,358</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies

Aztec Municipal Schools (“District”) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Aztec, New Mexico. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The school board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates six schools within the District with a total enrollment of approximately 3,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management who is responsible for their integrity and objectivity. The financial statements and notes of the 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. The GASB periodically updates its codification of the existing governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for the governmental units. The government-wide financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance. The more significant of the District’s accounting policies are described below.

A. *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion in the reporting entity. Based upon the application of these criteria, the District has one component unit and is not a component unit of another government agency.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

A. *Financial Reporting Entity* (continued)

Mosaic Academy was established in 2006 under the Charter School Act and serves to provide public education to the community of Aztec, New Mexico. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

C. *Measurement focus, basis of accounting, and financial statement presentation* (continued)

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the *Transportation Fund*, which is used to account for the State Equalization received from the New Mexico Public Education Department which is used to pay for the costs associated with transporting school age children. It also includes the *Instructional Materials Fund*, which is used to account for the monies received from the New Mexico Public Education Department for the purpose of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

Bond Building Capital Projects Fund is used to account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Capital Improvements SB-9 Capital Projects Fund is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for student organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

D. *Assets, Liabilities and Net Assets or Equity*

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

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2011, the District does not have any investments.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Restricted Assets: Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2011 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2011. Period of availability is deemed to be sixty days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Inventory: The District method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory in the Food Service Special Revenue Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District does not have any infrastructure assets to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are deemed to have useful lives of one year and are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital Outlay Council are included in the District's capital assets.

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

<u>Assets</u>	<u>Years</u>
Land improvements	20-40
Buildings and improvements	20-40
Furniture, fixtures, and equipment	3-7

Deferred Revenues: There are two sets of circumstances in which the District accrues deferred revenue.

- *Unearned revenue* - Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for *deferred revenue*.
- *Unavailable revenue* – Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual (it must be both measureable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue.

Compensated Absences: Twelve-month employees are entitled to accumulate annual leave up to 15 days per year, depending on length of service, and the employee’s hire date and the employee’s employment status (administrator or classified). Annual leave is supposed to be taken in the year earned or the succeeding fiscal year; however, a maximum of 24 days, depending on the employment status of the employee, may be carried over to the succeeding year or put into the employees annual leave bank. The employee’s annual leave bank may accumulate up to a maximum of 20 working days and then any days over the 20 are paid out at a rate of \$10 per day. Once days are banked they may not be withdrawn. If an employee retires from the District, employees are paid out at their hourly rate for unused vacation and \$10 per day for unused sick leave. Qualified employees are entitled to accumulate sick leave. If an employee accumulates more than 90 days of sick leave they are paid out at a rate of \$10 per day.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

Accrued Payroll: In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee’s summer payroll.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method or straight line method if the difference is inconsequential.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: The District has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance: At June 30, 2011, the nonspendable fund balance in the food service fund is made up of inventory in the amount of \$8,494 that is not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2011, the restricted fund balance on the governmental funds balance sheet is made up of \$403,456 for providing education to the students of the District, \$14,952,074 for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes, \$3,864,484 for the payment of principal and interest of the future debt service requirements, and \$150,386 for food service operations administered within the District.

Minimum Fund Balance Policy: The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds restricted cash reserves of \$128,450.

Net Assets: Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt: Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets: Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets restricted for "special revenue, debt service, and capital projects" are described on pages 38 and 65-69.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

- c. Unrestricted Net Assets: All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management’s estimate of depreciation on assets over their estimated useful lives and the current portion of accrued compensated absences.

E. *Revenues*

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

A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,108,394 in state equalization guarantee distributions during the year ended June 30, 2011.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered ‘measurable’ and ‘available’ in the governmental fund financial statements. The District recognized \$2,548,207 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2011. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,120,732 in transportation distributions during the year ended June 30, 2011.

Instructional Materials: The Public Education Department (Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while thirty percent of each allocation is available for purchases directly from vendors. The District received \$133,256 in instructional materials revenue from the State for the year ended June 30, 2011.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

E. *Revenues* (continued)

under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978.

However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$65,355 in SB-9 matching revenue during the year ended June 30, 2011.

Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

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

During the year ended June 30, 2011, the District did not receive appropriations in the state special capital outlay fund.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department. For this purpose, the government considers reimbursement grant revenues to be available if they are collected within 120 days of the end of the current fiscal period.

The District also receives reimbursement under the National School Lunch and Breakfast for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as intergovernmental income.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service, and Capital Projects funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the function (or "series") level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2011

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

The District's expenditures are budgeted on a cash basis, with the exception of those expenditures related to payroll. Payroll expenditures are budgeted on the accrual basis and the beginning fund balance and current year actual expenditures on the budgetary comparisons in those funds that have accrued payroll for held checks at year end have been adjusted to account for this requirement.

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

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

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a District from exceeding budgetary control at the function level.

The appropriated budget for the year ended June 30, 2011, was properly amended by the District's Board of Education throughout the year.

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (1,133,917)	\$ (1,607,787)
Bond Building	\$ (2,667,835)	\$ (17,153,572)
Capital Improvement SB-9	\$ (5,365,925)	\$ (5,707,937)
Debt Service	\$ (2,683,578)	\$ (3,051,105)
Nonmajor Funds	\$ (221,038)	\$ (305,463)

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual budgetary comparison.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2011.

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

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

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

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state were insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The TAGP program expired on December 31, 2010. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions. The separate coverage on non-interest bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2011 accounts held by an official custodian for a government unit are insured as follows:

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts

Through July 20, 2011, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2011, \$19,965,994 of the District's bank balance of \$23,120,918 was subject to custodial credit risk. \$14,460,106 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$5,505,888 of the District's deposits were uninsured and uncollateralized at June 30, 2011.

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

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

	Wells Fargo Bank	Citizens Bank	Total
	<u> </u>	<u> </u>	<u> </u>
Amount of deposits	\$ 14,396,602	\$ 8,724,316	\$ 23,120,918
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	(2,404,924)	-	(2,404,924)
FDIC Coverage	<u>(500,000)</u>	<u>(250,000)</u>	<u>(750,000)</u>
Total uninsured public funds	<u>11,491,678</u>	<u>8,474,316</u>	<u>19,965,994</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>8,977,266</u>	<u>5,482,840</u>	<u>14,460,106</u>
Uninsured and uncollateralized	<u>\$ 2,514,412</u>	<u>\$ 2,991,476</u>	<u>\$ 5,505,888</u>
Collateral requirement (50% of uninsured funds)	\$ 5,745,839	\$ 4,237,158	\$ 9,982,997
Pledged Collateral	<u>8,977,266</u>	<u>5,482,840</u>	<u>14,460,106</u>
Over (Under) collateralized	<u>\$ 3,231,427</u>	<u>\$ 1,245,682</u>	<u>\$ 4,477,109</u>

The District utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2011. Funds 24000 through 25000 are federal funds and 26000 through 31700 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2011:

24101	Title I IASA	\$ 51,754
24106	Entitlement IDEA-B	12,349
24109	Preschool IDEA-B	6,721
24120	IDEA-B "Risk Pool"	386
24154	Teacher/Principal Training & Recruiting	44,337
24157	Safe & Drug Free Schools & Communities	6,238
24162	Title I School Improvement	5,065
24206	Entitlement IDEA-B - Federal Stimulus	40,443
24209	Preschool IDEA-B - Federal Stimulus	7,911
24213	Education of Homeless - Federal Stimulus	6,810
25255	Education Jobs Fund - Federal Stimulus	160,678
27103	Dual Credit Instructional Materials HB2	4,320
27105	2008 GO Bond Student Library Fund	328
27141	Truancy Initiative PED	7,316
27163	Schools in Need of Improvement	<u>3,825</u>
		<u>\$ 358,481</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statement of Net Assets

The carrying amount of deposits and investments shown above are included in the District's Statement of Net Assets as follows:

Cash and cash equivalents- Governmental Activities Exhibit A-1	\$ 18,559,161
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	3,657,841
Fiduciary Funds - Exhibit D-1	<u>366,358</u>
 Total cash and cash equivalents	 <u>22,583,360</u>
 Add: outstanding checks, and other reconciling items	 <u>537,558</u>
 Bank balance of deposits	 <u><u>\$ 23,120,918</u></u>

Component Unit Activities:

Custodial Credit Risk – Deposits Custodial credit risk is the risk that in the event of a bank failure, the Charter School's deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2011, none of the Charter School's bank balance of \$452,117 was exposed to custodial credit risk.

	<u>Citizens Bank</u>
Amount of deposits	\$ 452,117
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	(452,117)
FDIC Coverage	<u>-</u>
Total uninsured public funds	<u>-</u>
 Collateralized by securities held by pledging institutions or by its trust department or agent in other than the School's name	 <u>-</u>
Uninsured and uncollateralized	<u><u>\$ -</u></u>
 Collateral requirement (50% of uninsured funds)	 \$ -
Pledged Collateral	<u>223,683</u>
Over (Under) collateralized	<u><u>\$ 223,683</u></u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the District's statements of net assets as follows:

Cash and cash equivalents- Component Unit Exhibit A-1	\$ 416,150
Fiduciary funds - Component Unit Statement D-3	<u>4,720</u>
 Total cash and cash equivalents	 <u>420,870</u>
 Add: outstanding checks, and other reconciling items	 <u>31,247</u>
 Bank balance of deposits	 <u><u>\$ 452,117</u></u>

NOTE 4. Accounts Receivable

Primary Government:

Accounts receivable as of June 30, 2011, are as follows:

	General Fund	Bond Building	Capital Improvements SB-9	Debt Service
Property taxes receivable	\$ 10,458	\$ -	\$ 56,739	\$ 139,478
Other taxes receivable				
Oil and gas taxes	24,334	-	77,714	177,824
Due from other governments				
Federal sources	-	-	-	-
State sources	19,901	-	-	-
Professional service agreements	59,991	-	-	-
	<u>\$ 114,684</u>	<u>\$ -</u>	<u>\$ 134,453</u>	<u>\$ 317,302</u>
	Other Governmental Funds	Total		
Property taxes receivable	\$ -	\$ 206,675		
Other taxes receivable				
Oil and gas taxes	-	279,872		
Due from other governments				
Federal sources	558,124	558,124		
State sources	24,562	44,463		
Professional service agreements	-	59,991		
	<u>\$ 582,686</u>	<u>\$ 1,149,125</u>		

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 4. Accounts Receivable (continued)

The above receivables are deemed 100% collectible.

In accordance with GASB No. 33, property tax revenues in the amount of \$163,735 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements.

Component Unit Activities:

Accounts receivable as of June 30, 2011, are as follows:

Due from other governments		
Federal sources	\$	10,886
State sources		1,233
Unemployment overpayment		<u>1</u>
	<u>\$</u>	<u>12,120</u>

The above receivables are deemed 100% collectible.

NOTE 5. Interfund Receivables, Payables, and Transfers

The District and the Component Unit records temporary interfund receivables and payables to enable the funds to operate until grant monies are received.

The composition of interfund balances during the year ended June 30, 2011 is as follows:

<u>Due from other fund</u>	<u>Due to Other fund</u>	<u>Amount</u>
Operating Fund	Pupil Transportation	\$ 73,247
Operating Fund	Title I - IASA	207,130
Operating Fund	Entitlement IDEA-B	246,566
Operating Fund	IDEA-B Preschool	22,070
Operating Fund	IDEA-B "Risk Pool"	386
Operating Fund	Teacher/Principal Training and Recruiting	74,937
Operating Fund	Safe & Drug Free Schools & Community	10,878
Operating Fund	Title I School Improvement	5,065
Operating Fund	Entitlement IDEA-B - Federal Stimulus	40,443
Operating Fund	Preschool IDEA-B - Federal Stimulus	7,911
Operating Fund	Education of Homeless - Federal Stimulus	6,810
Operating Fund	Johnson O'Malley	15,435
Operating Fund	Indian Education Formula Grant	14,970
Operating Fund	Education Jobs Fund - Federal Stimulus	160,678
Operating Fund	Wallace Foundation	17,447
Operating Fund	Dual Credit Instructional Materials HB2	4,320
Operating Fund	2008 GO Bond Student Library Fund	328
Operating Fund	Truancy Initiative PED	33,452
Operating Fund	Schools in Need of Improvement	<u>3,825</u>
Total		<u>\$ 945,898</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 5. Interfund Receivables, Payables, and Transfers (continued)

The District had an outstanding loan receivable from the Pupil Transportation Fund to the Operating Fund at June 30, 2011. This amount is expected to be paid back, however the timing of the re-payment is uncertain. All other interfund balances are to be repaid within one year.

Component Unit:

<u>Due from other fund</u>	<u>Due to Other fund</u>	<u>Amount</u>
General Fund	Entitlement IDEA-B	\$ 106
General Fund	Entitlement IDEA-B - Federal Stimulus	1,032
General Fund	State Equalization Guarantee - Federal Stimulus	1,315
General Fund	Education Jobs Fund	8,433
General Fund	Capital Improvements SB-9	1,233
		<hr/>
Total		\$ 12,119
		<hr/> <hr/>

All interfund balances are to be repaid within one year.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Schools in Need of Improvement	Safe & Drug Free Schools & Communities	\$ 3,587
Library Book Fund	Libraries - SB 301 GO Bonds	9,388
		<hr/>
		\$ 12,975
		<hr/> <hr/>

In the above funds, the District has transferred expenditures in order to reclassify expenditures from one fund to another. This reclassification is not a budgeted item and is not considered an "over-expenditure."

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2011, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,895,514	\$ -	\$ -	\$ 5,895,514
Construction in progress	<u>1,088,650</u>	<u>4,089,527</u>	<u>1,088,650</u>	<u>4,089,527</u>
Total capital assets not being depreciated	<u>6,984,164</u>	<u>4,089,527</u>	<u>1,088,650</u>	<u>9,985,041</u>
Capital assets being depreciated:				
Land improvements	47,549	-	-	47,549
Buildings and improvements	88,936,313	2,960,501	-	91,896,814
Furniture, fixtures, and equipment	<u>7,479,020</u>	<u>405,698</u>	<u>39,560</u>	<u>7,845,158</u>
Total capital assets being depreciated	<u>96,462,882</u>	<u>3,366,199</u>	<u>39,560</u>	<u>99,789,521</u>
Less accumulated depreciation:				
Land improvements	5,896	9,538	-	15,434
Buildings and improvements	36,698,913	2,083,721	-	38,782,634
Furniture, fixtures, and equipment	<u>4,324,710</u>	<u>748,905</u>	<u>20,814</u>	<u>5,052,801</u>
Total accumulated depreciation	<u>41,029,519</u>	<u>2,842,164</u>	<u>20,814</u>	<u>43,850,869</u>
Total capital assets, net of depreciation	<u>\$ 62,417,527</u>	<u>\$ 4,613,562</u>	<u>\$ 1,107,396</u>	<u>\$ 65,923,693</u>

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

Governmental Activities

Instruction	\$ 96,840
Support services-students	22,993
Support services-instruction	2,255,260
Support services-general administration	97,380
Support services-school administration	16,237
Central services	2,638
Operations and maintenance of plant	120,210
Student transportation	217,893
Food services operations	<u>12,713</u>
Total	<u>\$ 2,842,164</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 6. Capital Assets (continued)

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Component unit:				
Capital assets being depreciated:				
Buildings and improvements	\$ 291,423	\$ -	\$ -	\$ 291,423
Furniture, fixtures, and equipment	58,221	-	-	58,221
Total capital assets being depreciated	349,644	-	-	349,644
Less accumulated depreciation:				
Buildings and improvements	36,891	13,990	-	50,881
Furniture, fixtures, and equipment	18,917	15,588	-	34,505
Total accumulated depreciation	55,808	29,578	-	85,386
Total capital assets, net of depreciation	\$ 293,836	\$ (29,578)	\$ -	\$ 264,258

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

Component Unit	
Instruction	\$ 4,521
Support services-school administration	1,560
Central services	9,757
Operations and maintenance of plant	13,740
Total	\$ 29,578

NOTE 7. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$48,925,000. During the year, general obligation bonds for the same purpose totaling \$12,200,000 were issued for erecting, remodeling, making additions to and furnishing schools buildings and purchasing and improving school grounds. In October 2010, the 2010B series general obligation bonds were issued by the District in the amount of \$22,025,000. The proceeds from this bond issue were used to advance refund the 2000 and 2001 general obligation bonds and a portion of the 2002 general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2011 are for governmental activities.

Bonds outstanding at June 30, 2011, are comprised of the following:

	Series 2002	Series 2008	Series 2010A	Series 2010B
Original Issue:	\$ 13,200,000	\$ 13,225,000	\$ 12,200,000	\$ 22,025,000
Maturity Date	10/1/2015	10/1/2020	8/1/2027	10/1/2020
Principal	\$ 500,000	\$ 12,725,000	\$ 12,200,000	\$ 22,025,000
Interest Rate	3.50% to 5.50%	3.00% to 4.00%	5.686%	3.00 to 5.00%

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

The following is a summary of the long-term debt and the activity for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Due Within One Year
Governmental Activities:					
General obligation bonds					
Series 2000	\$ 1,300,000	\$ -	\$ 1,300,000	\$ -	\$ -
General obligation bonds					
Series 2001	2,600,000	-	2,600,000	-	-
General obligation bonds					
Series 2002	10,300,000	-	9,800,000	500,000	500,000
General obligation bonds					
Series 2007	13,300,000	-	13,300,000	-	-
General obligation bonds					
Series 2008	12,725,000	-	125,000	12,600,000	300,000
General obligation bonds					
Series 2010A	-	12,200,000	-	12,200,000	-
General obligation bonds					
Series 2010B	-	22,025,000	-	22,025,000	1,500,000
	<u>40,225,000</u>	<u>34,225,000</u>	<u>27,125,000</u>	<u>47,325,000</u>	<u>2,300,000</u>
Compensated absences	<u>135,884</u>	<u>104,851</u>	<u>43,601</u>	<u>197,134</u>	<u>43,601</u>
Total Long-Term Debt	<u>\$ 40,360,884</u>	<u>\$ 34,329,851</u>	<u>\$ 27,168,601</u>	<u>\$ 47,522,134</u>	<u>\$ 2,343,601</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 2,300,000	\$ 1,439,316	\$ 3,739,316
2013	3,100,000	1,345,452	4,445,452
2014	3,500,000	1,222,452	4,722,452
2015	3,900,000	1,068,327	4,968,327
2016	4,500,000	880,452	5,380,452
2017-2021	22,625,000	2,214,885	24,839,885
2022-2026	5,000,000	314,760	5,314,760
2027-2028	2,400,000	94,428	2,494,428
	<u>\$ 47,325,000</u>	<u>\$ 8,580,072</u>	<u>\$ 55,905,072</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the November 21, 2002 Series general obligation bonds outstanding as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 500,000	\$ 9,375	\$ 509,375
	<u>\$ 500,000</u>	<u>\$ 9,375</u>	<u>\$ 509,375</u>

The annual requirements to amortize the October 14, 2008 Series general obligation bonds outstanding as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 300,000	\$ 465,750	\$ 765,750
2013	500,000	453,750	953,750
2014	500,000	438,750	938,750
2015	500,000	423,125	923,125
2016	600,000	405,250	1,005,250
2017-2021	10,200,000	985,750	11,185,750
	<u>\$ 12,600,000</u>	<u>\$ 3,172,375</u>	<u>\$ 15,772,375</u>

The annual requirements to amortize the July 22, 2010A Series general obligation bonds outstanding as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ -	\$ 60,941	\$ 60,941
2013	-	62,952	62,952
2014	200,000	62,952	262,952
2015	100,000	62,952	162,952
2016	400,000	62,952	462,952
2017-2021	4,100,000	314,760	4,414,760
2022-2026	5,000,000	314,760	5,314,760
2027-2028	2,400,000	94,428	2,494,428
	<u>\$ 12,200,000</u>	<u>\$ 1,036,697</u>	<u>\$ 13,236,697</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the October 4, 2010B Series general obligation bonds outstanding as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 1,500,000	\$ 903,250	\$ 2,403,250
2013	2,600,000	828,750	3,428,750
2014	2,800,000	720,750	3,520,750
2015	3,300,000	582,250	3,882,250
2016	3,500,000	412,250	3,912,250
2017-2021	8,325,000	914,375	9,239,375
	<u>\$ 22,025,000</u>	<u>\$ 4,361,625</u>	<u>\$ 26,386,625</u>

Advance Refunding - The District issued general obligation bonds, Series 2010B on October 4, 2011 for \$22,025,000. These bonds were used to refund the District's outstanding general obligation school building bonds, Series 2001, maturing the year 2011 in the aggregate principal amount of \$1,400,000, general obligation school building bonds, Series 2002 maturing in the years 2012 through 2015, inclusive, in the aggregate principal amount of \$9,300,000 and general obligation school building bonds, Series 2007 maturing in the years 2011 through 2020, inclusive, in the aggregate principal amount of \$13,050,000, in order to lower the overall annual debt service requirements of the District, and to pay the costs of issuance of the Bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the District's statement of net assets.

Compensated Absences - Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2011, compensated absences increased \$61,250 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

Component Unit - The Charter School has entered into a capital lease for equipment. The Principal balance at June 30, 2011 is \$6,500. The payments due in the subsequent year total \$3,120 and have been classified as a current liability at Exhibit A-1. The lease ends in July 2013.

NOTE 8. Risk Management

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

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 8. Risk Management (continued)

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2011, there have been no claims that have exceeded insurance coverage.

NOTE 9. Deficit Fund Balances and Budget Noncompliance Issues

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2011:

Primary Government:

Pupil Transportation Fund	\$	80,335
Instructional Materials		26,684
Title I IASA		136,816
Entitlement IDEA-B		90,254
Preschool IDEA-B		13,597
Teacher/Principal Training & Recruiting		48,242
Safe & Drug Free Schools & Communities		3,118
Title I School Improvement		3,182
Johnson O'Malley		9,979
Wallace Foundation Grant		4,527
Truancy Initiative PED		33,452
Schools in Need of Improvement		3,825
Library Book Fund		<u>7,773</u>
Total	\$	<u><u>461,784</u></u>

Component Unit:

None

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2011:

Primary Government:

None

Component Unit:

None

C. Designated cash appropriations. The following funds had designated cash appropriations in excess of available balances for the year ended June 30, 2011:

Primary Government:

None

Component Unit:

None

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 10. Pension Plan – Educational Retirement Board

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

Funding Policy. Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.90% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.40% of their gross salary. The District was required to contribute 12.40% of the gross covered salary for employees earning \$20,000 or less, and 10.90% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,672,737, \$1,759,907, and \$1,825,443 respectively.

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2011

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District’s contributions to the RHCA for the years ended June 30, 2011, 2010, and 2009 were \$249,013, \$206,312, and \$206,322 respectively, which equal the required contribution for each year.

NOTE 12. Contingent Liabilities

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

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

NOTE 13. Commitments

The District’s commitments as of June 30, 2011 are as follows:

<u>Construction Projects</u>	<u>Contract Amount</u>	<u>Remaining Amount</u>
Koogler Middle School	\$ 12,254,912	\$ 8,165,385

NOTE 14. Joint Powers Agreements

Northeast San Juan County Family Center Educational Phase

Participants – Aztec Municipal School
 City of Aztec
 San Juan Junior College District

Responsible party – All participants

Description – The property deeded to the College and the District by the City shall be operated by the parties in a manner designed to facilitate the most efficient, cost-effective use in order to maximize the benefits of the property to the residents of the City.

Begin date – July 25, 2005

Ending date – Until notified

Estimated amount of project – Unknown

Amount contributed – None

Audit responsibility – Each participant

Fiscal agent – Not applicable

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2011

NOTE 14. Joint Powers Agreements (continued)

Tiger Sports Complex East

Participants – Aztec Municipal School
City of Aztec

Responsible party – All participants

Description – To provide maintenance, upkeep, and governance of Tiger Sports Complex East.

Begin date – June 23, 2009

Ending date – June 30, 2019

Estimated amount of project – Unknown

Amount contributed – None

Audit responsibility – Each participant

Fiscal agent – The District shall be designated as the fiscal agent for construction of propane, telephone, supplies, vandalism, and technology service and use. The City shall be designated as the fiscal agent for utility services.

NOTE 15. Subsequent Events

The date to which events occurring after June 30, 2011, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 9, 2011 which is the date on which the financial statements were available to be issued. No events took place subsequent to year end.

NOTE 16. Concentrations

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 17. Subsequent Pronouncements

In November 2010, GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*, Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The District is still evaluating the possible effects of this standard.

In November 2010, GASB Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

In December 2010, GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The District will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the District in upcoming years.

In June 2011, GASB Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53* Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the District in upcoming years.

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SUPPLEMENTAL INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Fund Descriptions
June 30, 2011

SPECIAL REVENUE FUNDS

Food Service (21000) – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

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

Title I IASA (24101) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Entitlement IDEA-B (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 Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

Discretionary IDEA-B (24107) – The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D, Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.

Competitive IDEA-B (24108) – The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund in Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.

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

Title VI IASA (24112) – To account for a program funded by a Federal grant to assist the District to make improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

Carl D. Perkins Tech Prep - Current (24119) - To account for a grants to assist State and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special need populations. Authorized by Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I Public Law 105-332, 20 U.S.C. 2301, et seq.

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June 30, 2011

IDEA-B “Risk Pool” (24120) - Entitlement funds that are set aside each year for the Puente para los Ninos high cost child program. Authority for creation of this fund is Public Law 105-17.

Class Size Reduction Act (24137) – To stimulate school-wide changes in schools that need to substantially improve student academics, particularly Title I schools, so that students in these schools can meet state content and performance standards. Funding authority is the State of New Mexico Public Education Department.

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is the Rehabilitation Act of 1973, as amended, Title III, Section 303(b)-(d). 20 U.S.C. 777a and 797a.

Safe & Drug Free Schools & Communities (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. The authority for creation of this fund is the Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

Title I School Improvement (24162) – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297.

Title I IASA – Federal Stimulus (24201) – Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for educators to implement strategies that will improve education for at-risk students and close the achievement gaps while also stimulating the economy.

Entitlement IDEA-B - Federal Stimulus (24206) - Under the American Recovery and Reinvestment Act of 2009 (ARRA), this grant is subject to the provisions of the Entitlement IDEA-B grant.

Preschool IDEA-B - Federal Stimulus (24209) - Under the American Recovery and Reinvestment Act of 2009 (ARRA), this grant is subject to the provisions of the Preschool IDEA-B grant.

Education of Homeless – Federal Stimulus (24213) - Under the American Recovery and Reinvestment Act of 2009 (ARRA), this grant is subject to the provisions of Education of Homeless grant.

Johnson O'Malley (25131) - To account for grant funds (through the Navajo Nation) to be used to fulfill the needs of Indian students. The funding authority is The Navajo Nation Department of Education. PL93-638 and PL100-427.

Indian Education Formula Grant (25184) - To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

State Equalization Guarantee – Federal Stimulus (25250) - Under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds help stabilize the District’s budget in order to minimize and avoid reduction in education services.

Education Jobs Fund – Federal Stimulus (25255) – To provide assistance to States to save or create education jobs for the 2010-2011 school year. Jobs funding under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

Wallace Foundation Grant (26125) – To account for funds received for mentoring new principals and support for recruitment and training of aspiring principals. Authority for the creation of this fund is the New Mexico Public Education Department.

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Nonmajor Fund Descriptions
June 30, 2011

Dual Credit Instructional Materials HB2 (27103) - SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses.

2008 GO Bond Student Library Fund (27105) - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program.

Technology for Education PED (27117) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Incentives for School Improvement Act (27138) – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools. Authority for the creation of this fund is the New Mexico Public Education Department.

Truancy - CYFD (27139) – Continue implementation of programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures that will assist students to stay in school and succeed. NMSA 22-2-8-10.

Truancy Initiative PED (27141) – To assist the District in implementing programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures that will assist students to stay in school and succeed.

Reading Improvement Initiatives (27152) - To provide the cost of teachers and direct teaching expenses for reading initiative. Funding is by the Elementary and Secondary Education Act of 1965.

Beginning Teacher Mentoring Program (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

Schools in Need of Improvement (27163) – Implement an extended school day program to focus on student needs and monitor student progress. Results are reported to New Mexico Public Education Department.

Libraries – SB 301 GO Bonds (27170) – Funds are used for the improvement or acquisition of all public school libraries and expand library collections in order to circulate and provide access of materials to students and teachers.

Library Book Fund (27549) – To support the acquisition of library books as specified in the legislative language of 2008 Senate Bill 471 whereas funds were distributed to public and charter schools through the Instructional Materials Bureau.

NM Arts Div (28131) – To account for grant reserved from the New Mexico Arts. . The authority for creation of this fund was approved by the Aztec Board of Education.

Medicaid HSD (28144) – To assist schools in offering key health and health-related services that are designed to integrate and maintain active learning for Medicaid-eligible children with disabilities and special health care needs.

Resources for School Health (28151) - To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the Aztec Board of Education.

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Lograr Institute – Graduate New Mexico (28192) - The Lograr Institute is a statewide initiative that identified and worked with selected communities with high Hispano/Latino student populations and correspondingly high drop-out rates with the goal of eliminating the achievement gap for Hispano/Latino students. The purpose of this project is to assist communities in capacity-building of families, students, school leaders, school teachers and staff. Lograr was funded by the American Recover and Reinvestment Act and authority for creation of this fund was approved by the Aztec Board of Education.

CAPITAL PROJECTS FUNDS

Public School Capital Outlay (31200) – To account for proceeds from taxes for the cost of improvement of land, buildings, and purchase of equipment. Funding authority is the New Mexico Public Education Department.

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Combining Balance Sheet
June 30, 2011

Special Revenue

	<u>Food Service</u>	<u>Athletics</u>	<u>Title I IASA</u>	<u>Entitlement IDEA-B</u>
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 150,386	\$ 175,021	\$ -	\$ -
Due from other governments	-	-	85,287	180,020
Inventory	8,494	-	-	-
<i>Total assets</i>	<u>\$ 158,880</u>	<u>\$ 175,021</u>	<u>\$ 85,287</u>	<u>\$ 180,020</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accounts payable	\$ -	\$ 6,006	\$ 49	\$ 1,137
Accrued payroll	-	-	14,924	22,571
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	207,130	246,566
<i>Total liabilities</i>	<u>-</u>	<u>6,006</u>	<u>222,103</u>	<u>270,274</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	8,494	-	-	-
Spendable				
Restricted for:				
Education	-	169,015	-	-
Food service operations	150,386	-	-	-
Capital acquisitions and improvements	-	-	-	-
Unassigned	-	-	(136,816)	(90,254)
<i>Total fund balances</i>	<u>158,880</u>	<u>169,015</u>	<u>(136,816)</u>	<u>(90,254)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 158,880</u>	<u>\$ 175,021</u>	<u>\$ 85,287</u>	<u>\$ 180,020</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Discretionary IDEA-B	Competitive IDEA-B	Preschool IDEA-B	Title VI IASA	Carl D. Perkins Tech Prep - Current	IDEA-B "Risk Pool"
\$ 187	\$ 303	\$ -	\$ 43	\$ 248	\$ -
-	-	8,473	-	-	386
-	-	-	-	-	-
<u>\$ 187</u>	<u>\$ 303</u>	<u>\$ 8,473</u>	<u>\$ 43</u>	<u>\$ 248</u>	<u>\$ 386</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	303	-	43	248	-
-	-	22,070	-	-	386
-	303	22,070	43	248	386
-	-	-	-	-	-
-	-	-	-	-	-
187	-	-	-	-	-
-	-	-	-	-	-
-	-	(13,597)	-	-	-
-	-	-	-	-	-
<u>187</u>	<u>-</u>	<u>(13,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 187</u>	<u>\$ 303</u>	<u>\$ 8,473</u>	<u>\$ 43</u>	<u>\$ 248</u>	<u>\$ 386</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

Special Revenue

ASSETS	<u>Class Size Reduction Act</u>	<u>Teacher/ Principal Training & Recruiting</u>	<u>Safe & Drug Free Schools & Communities</u>	<u>Title I School Improvement</u>
<i>Current assets</i>				
Cash and cash equivalents	\$ 47	\$ -	\$ -	\$ -
Due from other governments	-	30,404	7,760	1,883
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 47</u>	<u>\$ 30,404</u>	<u>\$ 7,760</u>	<u>\$ 1,883</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	3,709	-	-
Accrued compensated absences	47	-	-	-
Due to other funds	-	74,937	10,878	5,065
<i>Total liabilities</i>	<u>47</u>	<u>78,646</u>	<u>10,878</u>	<u>5,065</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	-	-	-	-
Food service operations	-	-	-	-
Capital acquisitions and improvements	-	-	-	-
Unassigned	-	(48,242)	(3,118)	(3,182)
<i>Total fund balances</i>	<u>-</u>	<u>(48,242)</u>	<u>(3,118)</u>	<u>(3,182)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 47</u>	<u>\$ 30,404</u>	<u>\$ 7,760</u>	<u>\$ 1,883</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title I IASA - Federal Stimulus</u>	<u>Entitlement IDEA-B - Federal Stimulus</u>	<u>Preschool IDEA- B - Federal Stimulus</u>	<u>Education of Homeless - Federal Stimulus</u>	<u>Johnson O'Malley</u>	<u>Indian Education Formula Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,460	\$ 8,938
-	42,101	7,911	6,810	-	19,141
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 42,101</u>	<u>\$ 7,911</u>	<u>\$ 6,810</u>	<u>\$ 5,460</u>	<u>\$ 28,079</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,658	-	-	4	52
-	-	-	-	-	-
-	40,443	7,911	6,810	15,435	14,970
-	42,101	7,911	6,810	15,439	15,022
-	-	-	-	-	-
-	-	-	-	-	13,057
-	-	-	-	-	-
-	-	-	-	(9,979)	-
-	-	-	-	(9,979)	13,057
<u>\$ -</u>	<u>\$ 42,101</u>	<u>\$ 7,911</u>	<u>\$ 6,810</u>	<u>\$ 5,460</u>	<u>\$ 28,079</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Balance Sheet
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	Special Revenue			
	State Equalization Guarantee - Federal Stimulus	Education Jobs Fund - Federal Stimulus	Wallace Foundation Grant	Dual Credit Instructional Materials HB2
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 12,920	\$ -
Due from other governments	-	167,948	-	4,320
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 167,948</u>	<u>\$ 12,920</u>	<u>\$ 4,320</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	7,270	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	160,678	17,447	4,320
<i>Total liabilities</i>	<u>-</u>	<u>167,948</u>	<u>17,447</u>	<u>4,320</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	-	-	-	-
Food service operations	-	-	-	-
Capital acquisitions and improvements	-	-	-	-
Unassigned	-	-	(4,527)	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,527)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 167,948</u>	<u>\$ 12,920</u>	<u>\$ 4,320</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

2008 GO Bond Student Library Fund	Technology for Education PED	Incentives for School Improvement Act	Truancy - CYFD	Truancy Initiative PED	Reading Improvement Initiatives
\$ -	\$ 85,856	\$ 8,550	\$ -	\$ -	\$ 49
328	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 328</u>	<u>\$ 85,856</u>	<u>\$ 8,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	767	-	-	-	-
-	-	8,550	-	-	49
328	-	-	-	33,452	-
<u>328</u>	<u>767</u>	<u>8,550</u>	<u>-</u>	<u>33,452</u>	<u>49</u>
-	-	-	-	-	-
-	85,089	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(33,452)	-
-	85,089	-	-	(33,452)	-
<u>\$ 328</u>	<u>\$ 85,856</u>	<u>\$ 8,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

Special Revenue

	Beginning Teacher Mentoring Program	Schools in Need of Improvement	Libraries - SB 301 GO Bonds	Library Book Fund
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 2,589	\$ -	\$ -	\$ 1,615
Due from other governments	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 2,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,615</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	3,825	-	-
<i>Total liabilities</i>	<u>-</u>	<u>3,825</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	2,589	-	-	1,615
Food service operations	-	-	-	-
Capital acquisitions and improvements	-	-	-	-
Unassigned	-	(3,825)	-	-
<i>Total fund balances</i>	<u>2,589</u>	<u>(3,825)</u>	<u>-</u>	<u>1,615</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,615</u>

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>			<u>Capital Projects</u>		
<u>NM Arts Div</u>	<u>Medicaid HSD</u>	<u>Resources for School Health</u>	<u>Lograr Institute - Graduate New Mexico</u>	<u>Public School Capital Outlay</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 156	\$ 106,710	\$ 3,225	\$ 19,237	\$ 54	\$ 581,594
-	19,914	-	-	-	582,686
-	-	-	-	-	8,494
<u>\$ 156</u>	<u>\$ 126,624</u>	<u>\$ 3,225</u>	<u>\$ 19,237</u>	<u>\$ 54</u>	<u>\$ 1,172,774</u>
\$ -	\$ -	\$ -	\$ 12,441	\$ -	\$ 19,633
-	1,516	-	-	-	52,471
156	-	3,225	-	-	12,621
-	-	-	-	-	872,651
<u>156</u>	<u>1,516</u>	<u>3,225</u>	<u>12,441</u>	<u>-</u>	<u>957,376</u>
-	-	-	-	-	8,494
-	125,108	-	6,796	-	403,456
-	-	-	-	-	150,386
-	-	-	-	54	54
-	-	-	-	-	(346,992)
<u>-</u>	<u>125,108</u>	<u>-</u>	<u>6,796</u>	<u>54</u>	<u>215,398</u>
<u>\$ 156</u>	<u>\$ 126,624</u>	<u>\$ 3,225</u>	<u>\$ 19,237</u>	<u>\$ 54</u>	<u>\$ 1,172,774</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue			
	Food Service	Athletics	Title I IASA	Entitlement IDEA-B
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ 866,345	\$ -	\$ 344,763	\$ 561,228
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	76
State direct	-	-	-	-
Charges for services	367,696	113,274	-	-
Investment income	-	201	265	-
<i>Total revenues</i>	1,234,041	113,475	345,028	561,304
<i>Expenditures</i>				
Current				
Instruction	-	160,934	366,798	341,947
Support services - students	-	-	-	108,448
Support services - instruction	-	-	-	-
Support services - general administration	-	-	13,148	20,108
Support services - school administration	-	-	101,898	102,162
Central services	-	-	-	59,099
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	19,794
Food services operations	1,177,623	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	1,177,623	160,934	481,844	651,558
<i>Excess (deficiency) of revenues over expenditures</i>	56,418	(47,459)	(136,816)	(90,254)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	56,418	(47,459)	(136,816)	(90,254)
<i>Fund balances - beginning</i>	102,462	216,474	-	-
<i>Fund balances - ending</i>	\$ 158,880	\$ 169,015	\$ (136,816)	\$ (90,254)

The accompanying notes are an integral part of these financial statements

Special Revenue

Discretionary IDEA-B	Competitive IDEA-B	Preschool IDEA-B	Title VI IASA	Carl D. Perkins Tech Prep - Current	IDEA-B "Risk Pool"
\$ 187	\$ -	\$ 6,662	\$ -	\$ -	\$ 386
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>187</u>	<u>-</u>	<u>6,662</u>	<u>-</u>	<u>-</u>	<u>386</u>
-	-	13,236	-	-	-
-	-	6,414	-	-	386
-	-	-	-	-	-
-	-	609	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>20,259</u>	<u>-</u>	<u>-</u>	<u>386</u>
<u>187</u>	<u>-</u>	<u>(13,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
187	-	(13,597)	-	-	-
-	-	-	-	-	-
<u>\$ 187</u>	<u>\$ -</u>	<u>\$ (13,597)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue			
	Class Size Reduction Act	Teacher/ Principal Training & Recruiting	Safe & Drug Free Schools & Communities	Title I School Improvement
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ 95,620	\$ 4,643	\$ 1,883
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	-	95,620	4,643	1,883
<i>Expenditures</i>				
Current				
Instruction	-	140,175	-	5,065
Support services - students	-	-	4,174	-
Support services - instruction	-	-	-	-
Support services - general administration	-	3,687	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	143,862	4,174	5,065
<i>Excess (deficiency) of revenues over expenditures</i>	-	(48,242)	469	(3,182)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	(3,587)	-
<i>Total other financing sources (uses)</i>	-	-	(3,587)	-
<i>Net change in fund balances</i>	-	(48,242)	(3,118)	(3,182)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ (48,242)	\$ (3,118)	\$ (3,182)

The accompanying notes are an integral part of these financial statements

Special Revenue

Title I IASA - Federal Stimulus	Entitlement IDEA-B - Federal Stimulus	Preschool IDEA-B - Federal Stimulus	Education of Homeless - Federal Stimulus	Johnson O'Malley	Indian Education Formula Grant
\$ -	\$ 340,865	\$ 17,800	\$ 6,810	\$ -	\$ -
-	-	-	-	7,759	100,764
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,321	-	-	-	-
-	340,865	17,800	6,810	17,738	87,707
-	-	-	-	(9,979)	13,057
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(9,979)	13,057
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ (9,979)	\$ 13,057

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue			
	State Equalization Guarantee - Federal Stimulus	Education Jobs Fund - Federal Stimulus	Wallace Foundation Grant	Dual Credit Instructional Materials HB2
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	483,072	580,588	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	4,320
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>483,072</u>	<u>580,588</u>	<u>-</u>	<u>4,320</u>
<i>Expenditures</i>				
Current				
Instruction	-	580,588	1,249	4,320
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	483,072	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>483,072</u>	<u>580,588</u>	<u>1,249</u>	<u>4,320</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,249)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,249)	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>(3,278)</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,527)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

2008 GO Bond Student Library Fund	Technology for Education PED	Incentives for School Improvement Act	Truancy - CYFD	Truancy Initiative PED	Reading Improvement Initiatives
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
4,942	-	-	15,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,942</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
-	16,000	-	-	-	-
-	-	-	15,000	-	-
4,942	14,849	-	-	-	-
-	-	-	-	-	-
-	4,650	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,942</u>	<u>35,499</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
-	(35,499)	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(35,499)	-	-	-	-
-	120,588	-	-	(33,452)	-
<u>\$ -</u>	<u>\$ 85,089</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,452)</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue			
	Beginning Teacher Mentoring Program	Schools in Need of Improvement	Libraries - SB 301 GO Bonds	Library Book Fund
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	3,949	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	3,949	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	(3,949)	-	-	-
<i>Other financing sources (uses)</i>				
Transfers in	-	3,587	-	9,388
Transfers out	-	-	(9,388)	-
<i>Total other financing sources (uses)</i>	-	3,587	(9,388)	9,388
<i>Net change in fund balances</i>	(3,949)	3,587	(9,388)	9,388
<i>Fund balances - beginning</i>	6,538	(7,412)	9,388	(7,773)
<i>Fund balances - ending</i>	\$ 2,589	\$ (3,825)	\$ -	\$ 1,615

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>				<u>Capital Projects</u>	
<u>NM Arts Div</u>	<u>Medicaid HSD</u>	<u>Resources for School Health</u>	<u>Lograr Institute - Graduate New Mexico</u>	<u>Public School Capital Outlay</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,247,192
-	-	-	-	-	1,172,183
-	-	-	-	-	-
-	-	-	-	-	20,018
-	97,552	-	30,000	-	131,872
-	-	-	-	-	480,970
-	-	-	-	-	466
-	<u>97,552</u>	-	<u>30,000</u>	-	<u>4,052,701</u>
-	585	-	23,204	-	1,841,118
-	4,330	-	-	-	318,255
-	-	-	-	-	20,000
-	-	-	-	-	50,647
-	56,102	-	-	-	314,423
-	-	-	-	-	98,212
-	-	-	-	-	483,072
-	-	-	-	-	19,794
-	-	-	-	-	1,177,623
-	-	-	-	-	6,321
-	<u>61,017</u>	-	<u>23,204</u>	-	<u>4,329,465</u>
-	<u>36,535</u>	-	<u>6,796</u>	-	<u>(276,764)</u>
-	-	-	-	-	12,975
-	-	-	-	-	(12,975)
-	-	-	-	-	-
-	36,535	-	6,796	-	(276,764)
-	<u>88,573</u>	-	-	<u>54</u>	<u>492,162</u>
<u>\$ -</u>	<u>\$ 125,108</u>	<u>\$ -</u>	<u>\$ 6,796</u>	<u>\$ 54</u>	<u>\$ 215,398</u>

STATE OF NEW MEXICO

Statement B-1

Aztec Municipal Schools

Food Service Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	538,000	688,000	805,200	117,200
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	16,769	16,769	-	(16,769)
Charges for services	279,875	389,875	367,696	(22,179)
Investment income	50	50	-	(50)
Miscellaneous	850	850	-	(850)
<i>Total revenues</i>	<u>835,544</u>	<u>1,095,544</u>	<u>1,172,896</u>	<u>77,352</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	835,544	1,184,533	1,111,499	73,034
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>835,544</u>	<u>1,184,533</u>	<u>1,111,499</u>	<u>73,034</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(88,989)</u>	<u>61,397</u>	<u>150,386</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	88,989	-	(88,989)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>88,989</u>	<u>-</u>	<u>(88,989)</u>
<i>Net change in fund balances</i>	-	-	61,397	61,397
<i>Fund balances - beginning</i>	-	-	88,989	88,989
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,386</u>	<u>\$ 150,386</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 61,397
Adjustments to revenues for federal flowthrough grants and charges for services.				61,145
Adjustments to expenditures for food costs.				(66,124)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 56,418</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

Aztec Municipal Schools

Athletics Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	100,000	100,000	113,274	13,274
Investment income	131	131	201	70
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100,131</u>	<u>100,131</u>	<u>113,475</u>	<u>13,344</u>
<i>Expenditures</i>				
Current				
Instruction	321,169	316,605	154,928	161,677
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>321,169</u>	<u>316,605</u>	<u>154,928</u>	<u>161,677</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(221,038)</u>	<u>(216,474)</u>	<u>(41,453)</u>	<u>175,021</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	221,038	216,474	-	(216,474)
<i>Total other financing sources (uses)</i>	<u>221,038</u>	<u>216,474</u>	<u>-</u>	<u>(216,474)</u>
<i>Net change in fund balances</i>	-	-	(41,453)	(41,453)
<i>Fund balances - beginning</i>	-	-	216,474	216,474
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,021</u>	<u>\$ 175,021</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (41,453)
No adjustments to revenues				-
Adjustments to expenditures for purchase of athletic equipment				(6,006)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (47,459)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Aztec Municipal Schools

Title I IASA Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	414,966	561,457	480,607	(80,850)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	265	265
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>414,966</u>	<u>561,457</u>	<u>480,872</u>	<u>(80,585)</u>
<i>Expenditures</i>				
Current				
Instruction	330,592	446,164	363,272	82,892
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	11,145	13,148	13,148	-
Support services - school administration	73,229	102,145	101,898	247
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>414,966</u>	<u>561,457</u>	<u>478,318</u>	<u>83,139</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,554</u>	<u>2,554</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2,554	2,554
<i>Fund balances - beginning</i>	-	-	(209,684)	(209,684)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (207,130)</u>	<u>\$ (207,130)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,554
Adjustments to revenues for federal flowthrough grants				(135,844)
Adjustments to expenditures for general supplies and materials				(3,526)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (136,816)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Aztec Municipal Schools

Entitlement IDEA-B Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	731,995	1,082,281	606,036	(476,245)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	76	76
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>731,995</u>	<u>1,082,281</u>	<u>606,112</u>	<u>(476,169)</u>
<i>Expenditures</i>				
Current				
Instruction	460,330	480,330	340,545	139,785
Support services - students	107,421	153,412	108,448	44,964
Support services - instruction	-	4,229	-	4,229
Support services - general administration	82,000	74,494	20,108	54,386
Support services - school administration	66,849	268,545	102,162	166,383
Central services	-	79,871	57,962	21,909
Operation and maintenance of plant	-	-	-	-
Food services operations	15,395	21,400	19,794	1,606
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>731,995</u>	<u>1,082,281</u>	<u>649,019</u>	<u>433,262</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(42,907)</u>	<u>(42,907)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(42,907)	(42,907)
<i>Fund balances - beginning</i>	-	-	(203,659)	(203,659)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (246,566)</u>	<u>\$ (246,566)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (42,907)
Adjustments to revenues for federal flowthrough grants				(44,808)
Adjustments to expenditures for general supplies and materials				(2,539)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (90,254)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

Aztec Municipal Schools
 Discretionary IDEA-B Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	187	187
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187</u>	<u>\$ 187</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grants				187
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 187</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

Aztec Municipal Schools
Competitive IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>303</u>	<u>303</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303</u>	<u>\$ 303</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

Aztec Municipal Schools

Preschool IDEA-B Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	23,953	47,539	11,785	(35,754)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>23,953</u>	<u>47,539</u>	<u>11,785</u>	<u>(35,754)</u>
<i>Expenditures</i>				
Current				
Instruction	10,241	15,241	13,236	2,005
Support services - students	7,700	20,020	6,414	13,606
Support services - instruction	-	-	-	-
Support services - general administration	1,000	1,651	609	1,042
Support services - school administration	5,012	10,627	-	10,627
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>23,953</u>	<u>47,539</u>	<u>20,259</u>	<u>27,280</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,474)</u>	<u>(8,474)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(8,474)	(8,474)
<i>Fund balances - beginning</i>	-	-	(13,596)	(13,596)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,070)</u>	<u>\$ (22,070)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (8,474)
Adjustments to revenues for federal flowthrough grants				(5,123)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (13,597)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Aztec Municipal Schools

Title VI IASA Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 43</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Aztec Municipal Schools
 Carl D. Perkins Tech Prep - Current Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	248	248
<i>Fund balances - ending</i>	\$ -	\$ -	\$ 248	\$ 248
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Aztec Municipal Schools

IDEA-B "Risk Pool" Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	6,760	-	(6,760)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,760</u>	<u>-</u>	<u>(6,760)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	6,760	386	6,374
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,760</u>	<u>386</u>	<u>6,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(386)</u>	<u>(386)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(386)	(386)
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (386)</u>	<u>\$ (386)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (386)
Adjustments to revenues for federal flowthrough grants				386
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Aztec Municipal Schools
 Class Size Reduction Act Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	47	47
<i>Fund balances - ending</i>	\$ -	\$ -	\$ 47	\$ 47
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Aztec Municipal Schools
Teacher/Principal Training & Recruiting Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	137,260	200,030	161,812	(38,218)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>137,260</u>	<u>200,030</u>	<u>161,812</u>	<u>(38,218)</u>
<i>Expenditures</i>				
Current				
Instruction	133,573	196,343	139,609	56,734
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	3,687	3,687	3,687	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>137,260</u>	<u>200,030</u>	<u>143,296</u>	<u>56,734</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>18,516</u>	<u>18,516</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	18,516	18,516
<i>Fund balances - beginning</i>	-	-	(93,453)	(93,453)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,937)</u>	<u>\$ (74,937)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 18,516
Adjustments to revenues for federal flowthrough grants				(66,192)
Adjustments to expenditures for salaries				(566)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (48,242)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Aztec Municipal Schools
 Safe & Drug Free Schools & Communities Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	10,368	-	(10,368)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	10,368	-	(10,368)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	10,368	7,761	2,607
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	10,368	7,761	2,607
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(7,761)	(7,761)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(7,761)	(7,761)
<i>Fund balances - beginning</i>	-	-	(3,117)	(3,117)
<i>Fund balances - ending</i>	\$ -	\$ -	\$ (10,878)	\$ (10,878)
<i>Net change in fund balances (Budget Basis)</i>				\$ (7,761)
Adjustments to revenues for federal flowthrough grants				4,643
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (3,118)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Aztec Municipal Schools

Title I School Improvement Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	29,791	22,751	(7,040)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>29,791</u>	<u>22,751</u>	<u>(7,040)</u>
<i>Expenditures</i>				
Current				
Instruction	-	29,791	1,882	27,909
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>29,791</u>	<u>1,882</u>	<u>27,909</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>20,869</u>	<u>20,869</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	20,869	20,869
<i>Fund balances - beginning</i>	-	-	(25,934)	(25,934)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,065)</u>	<u>\$ (5,065)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 20,869
Adjustments to revenues for federal flowthrough grants				(20,868)
Adjustments to expenditures for salaries				(3,183)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (3,182)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Aztec Municipal Schools

Title I IASA - Federal Stimulus Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	69,988	69,988
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>69,988</u>	<u>69,988</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>69,988</u>	<u>69,988</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	69,988	69,988
<i>Fund balances - beginning</i>	-	-	(69,988)	(69,988)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 69,988
Adjustments to revenues for federal flowthrough grants				(69,988)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Aztec Municipal Schools
Entitlement IDEA-B - Federal Stimulus Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	367,741	402,217	382,130	(20,087)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>367,741</u>	<u>402,217</u>	<u>382,130</u>	<u>(20,087)</u>
<i>Expenditures</i>				
Current				
Instruction	110,000	110,000	102,926	7,074
Support services - students	162,122	162,122	142,074	20,048
Support services - instruction	-	420	209	211
Support services - general administration	40,112	19,692	10,961	8,731
Support services - school administration	55,507	69,157	42,253	26,904
Central services	-	34,476	34,463	13
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	6,350	6,321	29
<i>Total expenditures</i>	<u>367,741</u>	<u>402,217</u>	<u>339,207</u>	<u>63,010</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>42,923</u>	<u>42,923</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	42,923	42,923
<i>Fund balances - beginning</i>	-	-	(83,366)	(83,366)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,443)</u>	<u>\$ (40,443)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 42,923
Adjustments to revenues for federal flowthrough grants				(41,265)
Adjustments to expenditures for salaries				(1,658)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

Aztec Municipal Schools
 Preschool IDEA-B - Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	27,000	27,000	9,889	(17,111)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>9,889</u>	<u>(17,111)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	16,318	16,318	15,008	1,310
Support services - students	5,000	5,000	1,701	3,299
Support services - instruction	-	-	-	-
Support services - general administration	743	743	498	245
Support services - school administration	4,939	4,939	601	4,338
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>27,000</u>	<u>27,000</u>	<u>17,808</u>	<u>9,192</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,919)</u>	<u>(7,919)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(7,919)	(7,919)
<i>Fund balances - beginning</i>	-	-	8	8
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,911)</u>	<u>\$ (7,911)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (7,919)
Adjustments to revenues for federal flowthrough grants				7,911
Adjustments to expenditures for salaries				8
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Aztec Municipal Schools

Education of Homeless - Federal Stimulus Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	10,000	-	(10,000)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<i>Expenditures</i>				
Current				
Instruction	-	10,000	6,810	3,190
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,000</u>	<u>6,810</u>	<u>3,190</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,810)</u>	<u>(6,810)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(6,810)	(6,810)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,810)</u>	<u>\$ (6,810)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (6,810)
Adjustments to revenues for federal flowthrough grants				6,810
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Aztec Municipal Schools

Johnson O'Malley Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	37,646	19,569	(18,077)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>37,646</u>	<u>19,569</u>	<u>(18,077)</u>
<i>Expenditures</i>				
Current				
Instruction	-	17,491	3,396	14,095
Support services - students	-	19,269	13,957	5,312
Support services - instruction	-	-	-	-
Support services - general administration	-	886	381	505
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>37,646</u>	<u>17,734</u>	<u>19,912</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,835</u>	<u>1,835</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	1,835	1,835
<i>Fund balances - beginning</i>	-	-	(11,810)	(11,810)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,975)</u>	<u>\$ (9,975)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,835
Adjustments to revenues for federal direct grants				(11,810)
Adjustments to expenditures for salaries				(4)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (9,979)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Aztec Municipal Schools

Indian Education Formula Grant Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	90,260	103,773	13,513
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>90,260</u>	<u>103,773</u>	<u>13,513</u>
<i>Expenditures</i>				
Current				
Instruction	-	54,366	53,304	1,062
Support services - students	-	21,773	21,771	2
Support services - instruction	-	-	-	-
Support services - general administration	-	2,424	1,255	1,169
Support services - school administration	-	11,697	11,407	290
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>90,260</u>	<u>87,737</u>	<u>2,523</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>16,036</u>	<u>16,036</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	16,036	16,036
<i>Fund balances - beginning</i>	-	-	(22,068)	(22,068)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,032)</u>	<u>\$ (6,032)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 16,036
Adjustments to revenues for federal direct grants				(3,009)
Adjustments to expenditures for salaries				30
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 13,057</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Aztec Municipal Schools

State Equalization Guarantee - Federal Stimulus Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	216,058	511,860	522,686	10,826
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>216,058</u>	<u>511,860</u>	<u>522,686</u>	<u>10,826</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	216,058	511,860	511,859	1
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>216,058</u>	<u>511,860</u>	<u>511,859</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>10,827</u>	<u>10,827</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	10,827	10,827
<i>Fund balances - beginning</i>	-	-	(10,827)	(10,827)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 10,827
Adjustments to revenues for federal direct grants				(39,614)
Adjustments to expenditures for salaries				28,787
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Aztec Municipal Schools
 Education Jobs Fund - Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	580,588	412,640	(167,948)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>580,588</u>	<u>412,640</u>	<u>(167,948)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	580,588	573,318	7,270
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>580,588</u>	<u>573,318</u>	<u>7,270</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(160,678)</u>	<u>(160,678)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(160,678)	(160,678)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (160,678)</u>	<u>\$ (160,678)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (160,678)
Adjustments to revenues for federal direct grants				167,948
Adjustments to expenditures for salaries				(7,270)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Aztec Municipal Schools
Wallace Foundation Grant Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	17,426	17,426
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>17,426</u>	<u>17,426</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>17,426</u>	<u>17,426</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	17,426	17,426
<i>Fund balances - beginning</i>	-	-	(21,953)	(21,953)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,527)</u>	<u>\$ (4,527)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 17,426
Adjustments to revenues for local grants				(17,426)
Adjustments to expenditures for salaries				(1,249)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (1,249)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Aztec Municipal Schools

Dual Credit Instructional Materials HB2 Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	6,807	-	(6,807)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,807</u>	<u>-</u>	<u>(6,807)</u>
<i>Expenditures</i>				
Current				
Instruction	-	6,807	4,320	2,487
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,807</u>	<u>4,320</u>	<u>2,487</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,320)</u>	<u>(4,320)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(4,320)	(4,320)
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,320)</u>	<u>\$ (4,320)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,320)
Adjustments to revenues for state direct grants				4,320
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Aztec Municipal Schools

2008 GO Bond Student Library Fund Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	7,631	11,957	4,326
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,631</u>	<u>11,957</u>	<u>4,326</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	7,631	4,942	2,689
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,631</u>	<u>4,942</u>	<u>2,689</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>7,015</u>	<u>7,015</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	7,015	7,015
<i>Fund balances - beginning</i>	-	-	(7,343)	(7,343)
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (328)</u>	<u>\$ (328)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 7,015
Adjustments to revenue for state flowthrough grants				(7,015)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Aztec Municipal Schools

Technology for Education PED Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	39,254	-	(39,254)
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>39,254</u>	<u>-</u>	<u>(39,254)</u>
<i>Expenditures</i>				
Current				
Instruction	-	17,220	15,233	1,987
Support services - students	-	-	-	-
Support services - instruction	-	14,900	14,855	45
Support services - general administration	-	434	-	434
Support services - school administration	-	-	-	-
Central services	-	6,700	4,650	2,050
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>39,254</u>	<u>34,738</u>	<u>4,516</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(34,738)</u>	<u>(34,738)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(34,738)	(34,738)
<i>Fund balances - beginning</i>	-	-	120,594	120,594
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,856</u>	<u>\$ 85,856</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (34,738)
No adjustments to revenues				-
Adjustments to expenditures for salaries				(761)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (35,499)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

Aztec Municipal Schools

Incentives for School Improvement Act Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	8,550	8,550
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,550</u>	<u>\$ 8,550</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Aztec Municipal Schools

Truancy - CYFD Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	15,000	15,000	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	15,000	15,000	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

Aztec Municipal Schools
 Truancy Initiative PED Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>(33,452)</u>	<u>(33,452)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,452)</u>	<u>\$ (33,452)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Aztec Municipal Schools

Reading Improvement Initiatives Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>49</u>	<u>49</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 49</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

Aztec Municipal Schools

Beginning Teacher Mentoring Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	6,538	-	(6,538)
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,538</u>	<u>-</u>	<u>(6,538)</u>
<i>Expenditures</i>				
Current				
Instruction	-	6,538	4,546	1,992
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,538</u>	<u>4,546</u>	<u>1,992</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,546)</u>	<u>(4,546)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(4,546)	(4,546)
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>7,135</u>	<u>7,135</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,589</u>	<u>\$ 2,589</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,546)
No adjustments to revenues				-
Adjustments to expenditures for salaries				<u>597</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (3,949)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

Aztec Municipal Schools

Schools in Need of Improvement Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	880	880
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>880</u>	<u>880</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>880</u>	<u>880</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	880	880
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>(4,705)</u>	<u>(4,705)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,825)</u>	<u>\$ (3,825)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 880
Adjustments to revenues for state flowthrough grants				2,707
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 3,587</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

Aztec Municipal Schools

Libraries - SB 301 GO Bonds Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	(9,388)	9,388
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(9,388)</u>	<u>9,388</u>
<i>Net change in fund balances</i>	-	-	(9,388)	9,388
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>9,388</u>	<u>9,388</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,776</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (9,388)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (9,388)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

Aztec Municipal Schools

Library Book Fund Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in (out)	-	-	9,388	(9,388)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>9,388</u>	<u>(9,388)</u>
<i>Net change in fund balances</i>	-	-	9,388	(9,388)
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>(7,773)</u>	<u>(7,773)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,615</u>	<u>\$ (17,161)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 9,388
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 9,388</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

Aztec Municipal Schools

NM Arts Div Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	156	156
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 156</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

Aztec Municipal Schools

Medicaid HSD Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	85,000	85,000	82,357	(2,643)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>85,000</u>	<u>85,000</u>	<u>82,357</u>	<u>(2,643)</u>
<i>Expenditures</i>				
Current				
Instruction	1,200	1,200	585	615
Support services - students	5,400	5,400	4,330	1,070
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	78,400	78,400	54,586	23,814
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>85,000</u>	<u>85,000</u>	<u>59,501</u>	<u>25,499</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	22,856	22,856
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	22,856	22,856
<i>Fund balances - beginning</i>	-	-	83,854	83,854
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,710</u>	<u>\$ 106,710</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 22,856
Adjustments to revenues for state direct grants				15,195
Adjustments to expenditures for salaries				(1,516)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 36,535</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

Aztec Municipal Schools

Resources for School Health Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	-	-	3,225	3,225
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,225</u>	<u>\$ 3,225</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

Aztec Municipal Schools

Lograr Institute - Graduate New Mexico Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	30,000	30,000	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	30,000	30,000	-
<i>Expenditures</i>				
Current				
Instruction	-	30,000	10,763	19,237
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	30,000	10,763	19,237
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	19,237	19,237
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	19,237	19,237
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ 19,237	\$ 19,237
<i>Net change in fund balances (Budget Basis)</i>				\$ 19,237
No adjustments to revenues				-
Adjustments to expenditures for general supplies and materials				(12,441)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 6,796

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

Aztec Municipal Schools
Public School Capital Outlay Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 54</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

Aztec Municipal Schools

Bond Building Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	10,000	10,000	277	(9,723)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>277</u>	<u>(9,723)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	-	-	-	-
Support services - school administration	-	-	-	-
Operation and maintenance of plant	1,500,000	2,273,487	1,114,994	1,158,493
Capital outlay	1,177,835	14,890,085	5,287,710	9,602,375
<i>Total expenditures</i>	<u>2,677,835</u>	<u>17,163,572</u>	<u>6,402,704</u>	<u>10,760,868</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,667,835)</u>	<u>(17,153,572)</u>	<u>(6,402,427)</u>	<u>10,751,145</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,667,835	4,953,572	-	(4,953,572)
Bond proceeds	-	12,200,000	12,200,000	-
Bond issuance costs	-	-	(165,340)	(165,340)
<i>Total other financing sources (uses)</i>	<u>2,667,835</u>	<u>17,153,572</u>	<u>12,034,660</u>	<u>(5,118,912)</u>
<i>Net change in fund balances</i>	-	-	5,632,233	5,632,233
<i>Fund balances - beginning</i>	-	-	4,953,572	4,953,572
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,585,805</u>	<u>\$ 10,585,805</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 5,632,233
No adjustments to revenues				-
Adjustments to expenditures for construction services				(450,651)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 5,181,582</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-41

Aztec Municipal Schools

Capital Improvement SB-9 Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ 672,976	\$ 672,976	\$ 707,557	\$ 34,581
Oil and gas taxes	2,103,893	2,103,893	1,028,151	(1,075,742)
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	130,930	130,930	204,294	73,364
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	9,999	9,999	8,568	(1,431)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,917,798</u>	<u>2,917,798</u>	<u>1,948,570</u>	<u>(969,228)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	3,961,953	4,304,965	1,429,398	2,875,567
Support services - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	4,321,770	4,320,770	620,688	3,700,082
<i>Total expenditures</i>	<u>8,283,723</u>	<u>8,625,735</u>	<u>2,050,086</u>	<u>6,575,649</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,365,925)</u>	<u>(5,707,937)</u>	<u>(101,516)</u>	<u>5,606,421</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,365,925	5,707,937	-	(5,707,937)
<i>Total other financing sources (uses)</i>	<u>5,365,925</u>	<u>5,707,937</u>	<u>-</u>	<u>(5,707,937)</u>
<i>Net change in fund balances</i>	-	-	(101,516)	(101,516)
<i>Fund balances - beginning</i>	-	-	5,707,937	5,707,937
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,606,421</u>	<u>\$ 5,606,421</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (101,516)
Adjustments to revenues for property and oil and gas taxes				(117,386)
Adjustments to expenditures for construction services				102,476
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (116,426)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-42

Aztec Municipal Schools

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 1,361,590	\$ 1,361,590	\$ 1,688,023	\$ 326,433
Oil and gas taxes	2,893,378	2,893,378	2,480,804	(412,574)
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	4,503	4,503
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,254,968</u>	<u>4,254,968</u>	<u>4,173,330</u>	<u>(81,638)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general administration	27,250	27,250	16,829	10,421
Capital outlay	-	-	-	-
Debt service				
Principal	5,105,811	5,473,338	3,375,000	2,098,338
Interest	1,805,485	1,805,485	1,705,107	100,378
<i>Total expenditures</i>	<u>6,938,546</u>	<u>7,306,073</u>	<u>5,096,936</u>	<u>2,209,137</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,683,578)</u>	<u>(3,051,105)</u>	<u>(923,606)</u>	<u>2,127,499</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,683,578	3,051,105	-	(3,051,105)
Proceeds of refunding bonds	-	-	22,025,000	(22,025,000)
Bond premiums	-	-	2,436,817	(2,436,817)
Bond issuance costs	-	-	(233,307)	233,307
Payment to refunded bond escrow agent	-	-	(24,228,136)	24,228,136
<i>Total other financing sources (uses)</i>	<u>2,683,578</u>	<u>3,051,105</u>	<u>374</u>	<u>(27,512,922)</u>
<i>Net change in fund balances</i>	-	-	(923,232)	(25,385,423)
<i>Fund balances - beginning</i>	-	-	4,581,073	4,581,073
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,657,841</u>	<u>\$ (20,804,350)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (923,232)
Adjustments to revenues for property and oil and gas taxes				25,472
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (897,760)</u>

The accompanying notes are an integral part of these financial statements

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GENERAL FUND

STATE OF NEW MEXICO

Statement C-1

Aztec Municipal Schools
General Fund
Combining Balance Sheet
June 30, 2011

	Operating	Pupil Transportation	Instructional Materials	Total
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 1,692,670	\$ 63,118	\$ 29,553	\$ 1,785,341
Property taxes receivable	10,458	-	-	10,458
Other taxes receivable	24,334	-	-	24,334
Due from other governments	19,901	-	-	19,901
Other receivables	59,991	-	-	59,991
Due from other funds	945,898	-	-	945,898
<i>Total assets</i>	<u>\$ 2,753,252</u>	<u>\$ 63,118</u>	<u>\$ 29,553</u>	<u>\$ 2,845,923</u>
LIABILITIES AND FUND BALANCES				
<i>Current liabilities</i>				
Accounts payable	\$ 57,401	\$ 8,105	\$ 56,237	\$ 121,743
Accrued payroll	637,676	62,101	-	699,777
Deferred revenue	8,485	-	-	8,485
Due to other funds	-	73,247	-	73,247
<i>Total liabilities</i>	<u>703,562</u>	<u>143,453</u>	<u>56,237</u>	<u>903,252</u>
<i>Fund balances</i>				
Fund balances				
Spendable				
Committed for:				
Emergency reserves	128,450	-	-	128,450
Subsequent years expenditures	1,587,239	-	-	1,587,239
Unassigned	334,001	(80,335)	(26,684)	226,982
<i>Total fund balances</i>	<u>2,049,690</u>	<u>(80,335)</u>	<u>(26,684)</u>	<u>1,942,671</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,753,252</u>	<u>\$ 63,118</u>	<u>\$ 29,553</u>	<u>\$ 2,845,923</u>

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

STATE OF NEW MEXICO

Statement C-2

Aztec Municipal Schools

General Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Operating	Pupil Transportation	Instructional Materials	Total
<i>Revenues</i>				
Property taxes	\$ 135,166	\$ -	\$ -	\$ 135,166
Oil and gas taxes	261,089	-	-	261,089
Intergovernmental revenue				
Federal flowthrough	19,901	-	-	19,901
Federal direct	601	-	-	601
State flowthrough	20,163,372	-	32,173	20,195,545
State direct	-	-	101,083	101,083
Transportation distribution	-	1,120,732	-	1,120,732
Charges for services	67,452	-	-	67,452
Investment income	11,729	-	-	11,729
Miscellaneous	23,126	-	4,711	27,837
<i>Total revenues</i>	<u>20,682,436</u>	<u>1,120,732</u>	<u>137,967</u>	<u>21,941,135</u>
<i>Expenditures</i>				
Current				
Instruction	12,861,734	-	341,608	13,203,342
Support services - students	1,777,867	-	-	1,777,867
Support services - instruction	358,640	-	-	358,640
Support services - general administration	327,954	-	-	327,954
Support services - school administration	1,558,250	-	-	1,558,250
Central services	491,107	-	-	491,107
Operation and maintenance plant	2,450,663	-	-	2,450,663
Student transportation	78,998	1,200,751	-	1,279,749
Other support services	8,682	-	-	8,682
<i>Total expenditures</i>	<u>19,913,895</u>	<u>1,200,751</u>	<u>341,608</u>	<u>21,456,254</u>
<i>Net change in fund balances</i>	768,541	(80,019)	(203,641)	484,881
<i>Fund balances - beginning</i>	<u>1,281,149</u>	<u>(316)</u>	<u>176,957</u>	<u>1,457,790</u>
<i>Fund balances - ending</i>	<u>\$ 2,049,690</u>	<u>\$ (80,335)</u>	<u>\$ (26,684)</u>	<u>\$ 1,942,671</u>

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

STATE OF NEW MEXICO

Statement C-3

Aztec Municipal Schools

Operating Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ 129,070	\$ 129,070	\$ 134,307	\$ 5,237
Oil and gas taxes	525,973	525,973	257,040	(268,933)
Intergovernmental revenue				
Federal flowthrough	6,000	6,000	19,901	13,901
Federal direct	-	-	601	601
Local grants	-	-	-	-
State flowthrough	20,602,629	19,880,596	20,083,480	202,884
State direct	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	66,000	66,000	67,573	1,573
Investment income	20,000	20,000	11,729	(8,271)
Miscellaneous	15,006	15,006	23,126	8,120
<i>Total revenues</i>	<u>21,364,678</u>	<u>20,642,645</u>	<u>20,597,757</u>	<u>(44,888)</u>
<i>Expenditures</i>				
Current				
Instruction	14,646,533	14,120,598	12,836,759	1,283,839
Support services - students	2,126,293	2,126,293	1,771,460	354,833
Support services - instruction	469,157	469,157	358,640	110,517
Support services - general admin.	444,261	370,261	325,358	44,903
Support services - school admin.	1,597,658	1,607,658	1,558,250	49,408
Central services	524,188	534,188	490,010	44,178
Operation and maintenance plant	2,471,164	2,446,578	2,420,918	25,660
Student transportation	39,891	79,391	78,379	1,012
Other support services	179,450	179,450	6,327	173,123
<i>Total expenditures</i>	<u>22,498,595</u>	<u>21,933,574</u>	<u>19,846,101</u>	<u>2,087,473</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,133,917)</u>	<u>(1,290,929)</u>	<u>751,656</u>	<u>2,042,585</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	1,133,917	1,290,929	-	(1,290,929)
<i>Total other financing sources (uses)</i>	<u>1,133,917</u>	<u>1,290,929</u>	<u>-</u>	<u>(1,290,929)</u>
<i>Net change in fund balances</i>	-	-	751,656	751,656
<i>Fund balances - beginning of year</i>	-	-	1,886,912	1,886,912
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,638,568</u>	<u>\$ 2,638,568</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 751,656
Adjustments to revenues for property, oil, & gas taxes and state flowthrough				84,679
Adjustments to expenditures for salaries, general supplies and material, and other contract services				(67,794)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 768,541</u>

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

STATE OF NEW MEXICO

Statement C-4

Aztec Municipal Schools

Pupil Transportation Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Transportation distribution	1,247,343	1,190,702	1,120,732	(69,970)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,247,343</u>	<u>1,190,702</u>	<u>1,120,732</u>	<u>(69,970)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin.	-	-	-	-
Support services - school admin.	-	-	-	-
Central services	-	-	-	-
Operation and maintenance plant	-	-	-	-
Student transportation	1,247,343	1,330,643	1,197,555	133,088
Other support services	-	-	-	-
<i>Total expenditures</i>	<u>1,247,343</u>	<u>1,330,643</u>	<u>1,197,555</u>	<u>133,088</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(139,941)	(76,823)	63,118
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	139,941	-	(139,941)
<i>Total other financing sources (uses)</i>	-	<u>139,941</u>	-	<u>(139,941)</u>
<i>Net change in fund balances</i>	-	-	(76,823)	(76,823)
<i>Fund balances - beginning of year</i>	-	-	66,694	66,694
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,129)</u>	<u>\$ (10,129)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (76,823)
No adjustments to revenues				-
Adjustments to expenditures for general supplies and material				(3,196)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (80,019)</u>

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

STATE OF NEW MEXICO

Statement C-5

Aztec Municipal Schools

Instructional Materials Fund

Statement of Revenues, Expenditures, and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
Intergovernmental revenue				
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	32,173	32,173
State direct	-	112,314	101,083	(11,231)
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	4,711	4,711
<i>Total revenues</i>	<u>-</u>	<u>112,314</u>	<u>137,967</u>	<u>25,653</u>
<i>Expenditures</i>				
Current				
Instruction	-	289,231	285,371	3,860
Support services - students	-	-	-	-
Support services - instruction	-	-	-	-
Support services - general admin.	-	-	-	-
Support services - school admin.	-	-	-	-
Central services	-	-	-	-
Operation and maintenance plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>289,231</u>	<u>285,371</u>	<u>3,860</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(176,917)</u>	<u>(147,404)</u>	<u>29,513</u>
<i>Other financing sources (uses)</i>				
Designated cash balance (budgeted increase in cash)	-	176,917	-	(176,917)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>176,917</u>	<u>-</u>	<u>(176,917)</u>
<i>Net change in fund balances</i>	-	-	(147,404)	(147,404)
<i>Fund balances - beginning of year</i>	-	-	176,957	176,957
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,553</u>	<u>\$ 29,553</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (147,404)
No adjustments to revenues				-
Adjustments to expenditures for general supplies and material				(56,237)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (203,641)</u>

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

MOSAIC ACADEMY CHARTER SCHOOL

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School - Governmental Funds
Combining Balance Sheet
June 30, 2011

	General		Special Revenue	
ASSETS	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	Entitlement IDEA- B - Federal Stimulus
<i>Current assets</i>				
Cash and cash equivalents	\$ 360,846	\$ 22,731	\$ 1,607	\$ 285
Due from other governments	-	-	106	1,032
Other receivables	1	-	-	-
Due from other funds	12,119	-	-	-
<i>Total assets</i>	\$ 372,966	\$ 22,731	\$ 1,713	\$ 1,317
LIABILITIES AND FUND BALANCE				
<i>Current liabilities</i>				
Accounts payable	\$ 2,031	\$ 562	\$ -	\$ -
Accrued payroll	25,974	-	1,607	285
Due to other funds	-	-	106	1,032
<i>Total liabilities</i>	28,005	562	1,713	1,317
<i>Fund balances</i>				
Spendable				
Restricted for:				
Education services	-	-	-	-
Capital acquisition and improvements	-	-	-	-
Committed for:				
Subsequent years expenditures	272,201	-	-	-
Unassigned	72,760	22,169	-	-
<i>Total fund balance</i>	344,961	22,169	-	-
<i>Total liabilities and fund balance</i>	\$ 372,966	\$ 22,731	\$ 1,713	\$ 1,317

The accompanying notes are an integral part of these financial statements

Special Revenue

State Equalization Guarantee - Federal Stimulus	Education Jobs Fund	Microsoft Settlement Fund	2008 GO Bond Student Library Fund	Beginning Teacher Mentoring Program	Libraries - SB 301 GO Bonds- Laws of 2006
\$ 981	\$ 303	\$ 25,338	\$ -	\$ 1	\$ 1
1,315	8,433	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,296</u>	<u>\$ 8,736</u>	<u>\$ 25,338</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
981	303	-	-	-	-
1,315	8,433	-	-	-	-
<u>2,296</u>	<u>8,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	25,338	-	1	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	25,338	-	1	1
<u>\$ 2,296</u>	<u>\$ 8,736</u>	<u>\$ 25,338</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School - Governmental Funds
 Combining Balance Sheet
 June 30, 2011

	Capital Projects		
	Public School Capital Outlay	Capital Improvements SB-9	Total
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 4,057	\$ -	\$ 416,150
Due from other governments	-	1,233	12,119
Other receivables	-	-	1
Due from other funds	-	-	12,119
	-	-	12,119
<i>Total assets</i>	\$ 4,057	\$ 1,233	\$ 440,389
LIABILITIES AND FUND BALANCE			
<i>Current liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 2,593
Accrued payroll	-	-	29,150
Due to other funds	-	1,233	12,119
	-	1,233	43,862
<i>Total liabilities</i>	-	1,233	43,862
<i>Fund balances</i>			
<i>Spendable</i>			
<i>Restricted for:</i>			
Education services	-	-	25,340
Capital acquisition and improvements	4,057	-	4,057
<i>Committed for:</i>			
Subsequent years expenditures	-	-	272,201
Unassigned	-	-	94,929
	-	-	94,929
<i>Total fund balance</i>	4,057	-	396,527
<i>Total liabilities and fund balance</i>	\$ 4,057	\$ 1,233	\$ 440,389

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Aztec Municipal Schools

Mosaic Academy Charter School - Governmental Funds

Reconciliation of the Combining Balance Sheet to the Statement of Net Assets

June 30, 2011

Statement D-1

Page 3 of 3

Amounts reported for governmental activities in the Statement of Activities are different in the component unit because:

Fund balance - total governmental funds	\$	396,527
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		264,258
Certain liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds		
Capital lease payable		<u>(6,500)</u>
Net assets - component unit	\$	<u>654,285</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School - Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	General		Special Revenue	
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	Entitlement IDEA-B - Federal Stimulus
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ 44,861	\$ 34,463
Federal direct	-	-	-	-
State flowthrough	1,145,092	6,207	-	-
State direct	-	1,002	-	-
<i>Total revenues</i>	<u>1,145,092</u>	<u>7,209</u>	<u>44,861</u>	<u>34,463</u>
<i>Expenditures</i>				
Current				
Instruction	672,438	20,518	57,171	33,784
Support services - students	7,727	-	-	-
Support services - instruction	10,428	3,776	-	-
Support services - general administration	8,869	-	792	679
Support services - school administration	196,912	-	-	-
Central services	76,006	-	-	-
Operation and maintenance of plant	70,001	-	-	-
Food services operations	2,921	-	-	-
Debt service				
Principal	3,120	-	-	-
<i>Total expenditures</i>	<u>1,048,422</u>	<u>24,294</u>	<u>57,963</u>	<u>34,463</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>96,670</u>	<u>(17,085)</u>	<u>(13,102)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	13,102	-
Transfers out	(13,102)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(13,102)</u>	<u>-</u>	<u>13,102</u>	<u>-</u>
<i>Net change in fund balances</i>	83,568	(17,085)	-	-
<i>Fund balances - beginning of year</i>	<u>261,393</u>	<u>39,254</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending of year</i>	<u>\$ 344,961</u>	<u>\$ 22,169</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

State Equalization Guarantee - Federal Stimulus	Education Jobs Fund	Microsoft Settlement Fund	2008 GO Bond Student Library Fund	Beginning Teacher Mentoring Program	Libraries - SB 301 GO Bonds-Laws of 2006
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,224	33,228	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,224</u>	<u>33,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
21,224	33,228	5,148	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,224</u>	<u>33,228</u>	<u>5,148</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(5,148)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(5,148)	-	-	-
-	-	30,486	-	1	1
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,338</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School - Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Capital Projects		
	Public School Capital Outlay	Capital Improvements SB-9	Total
<i>Revenues</i>			
Intergovernmental revenue			
Federal flowthrough	\$ -	\$ -	\$ 79,324
Federal direct	-	-	54,452
State flowthrough	-	1,233	1,152,532
State direct	113,874	-	114,876
<i>Total revenues</i>	113,874	1,233	1,401,184
<i>Expenditures</i>			
Current			
Instruction	113,873	-	957,384
Support services - students	-	-	7,727
Support services - instruction	-	-	14,204
Support services - general administration	-	-	10,340
Support services - school administration	-	-	196,912
Central services	-	-	76,006
Operation and maintenance of plant	-	1,233	71,234
Food services operations	-	-	2,921
Debt service			
Principal	-	-	3,120
<i>Total expenditures</i>	113,873	1,233	1,339,848
<i>Excess (deficiency) of revenues over expenditures</i>	1	-	61,336
<i>Other financing sources (uses)</i>			
Transfers in	-	-	13,102
Transfers out	-	-	(13,102)
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net change in fund balances</i>	1	-	61,336
<i>Fund balances - beginning of year</i>	4,056	-	335,191
<i>Fund balances - ending of year</i>	\$ 4,057	\$ -	\$ 396,527

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Aztec Municipal Schools

Mosaic Academy Charter School - Governmental Funds

Reconciliation of the Combining Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Statement D-2

Page 3 of 3

Amounts reported for governmental activities in the Statement of Activities are different in the component unit because:

Net change in fund balances - total governmental funds	\$ 61,336
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Depreciation expense	(29,578)
----------------------	----------

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

Change in deferred revenue related to grants receivable	(4,824)
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The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Principal payments on capital lease	<u>3,120</u>
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Changes in net assets of component unit activities	<u><u>\$ 30,054</u></u>
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STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Statement D-3

<i>Assets</i>	
Cash	\$ 4,720
Receivables	<u>132</u>
<i>Total assets</i>	<u><u>\$ 4,852</u></u>
 <i>Liabilities</i>	
Due to student organizations	<u>\$ 4,852</u>
<i>Total liabilities</i>	<u><u>\$ 4,852</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-4

Aztec Municipal Schools
Mosaic Academy Charter School
Operational FundStatement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
for the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	1,142,038	1,142,322	1,145,142	2,820
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,142,038</u>	<u>1,142,322</u>	<u>1,145,142</u>	<u>2,820</u>
<i>Expenditures</i>				
Current				
Instruction	814,488	810,772	668,989	141,783
Support service - students	8,193	9,025	7,727	1,298
Support service - instruction	10,879	14,431	10,428	4,003
Support service - general administration	13,200	14,700	8,774	5,926
Support service - school administration	205,217	240,566	200,418	40,148
Central services	86,457	95,924	76,006	19,918
Operation and maintenance of plant	192,550	181,788	69,324	112,464
Student transportation	-	-	-	-
Other support services	20,000	20,000	-	20,000
Food services operations	1,000	5,000	2,921	2,079
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>1,351,984</u>	<u>1,392,206</u>	<u>1,044,587</u>	<u>347,619</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(209,946)</u>	<u>(249,884)</u>	<u>100,555</u>	<u>350,439</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	209,946	249,884	-	(249,884)
Transfer in (out)	-	-	(13,102)	(13,102)
<i>Total other financing sources (uses)</i>	<u>209,946</u>	<u>249,884</u>	<u>(13,102)</u>	<u>(262,986)</u>
<i>Net change in fund balances</i>	-	-	87,453	87,453
<i>Fund balance - beginning of year</i>	-	-	285,512	285,512
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,965</u>	<u>\$ 372,965</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 87,453
Adjustments to revenue for refunds from prior year.				(50)
Adjustments to expenditures for salaries.				(3,835)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 83,568</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-5

Aztec Municipal Schools
Mosaic Academy Charter School
Instructional Materials FundStatement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
for the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	6,200	6,200	6,207	7
State direct	-	-	1,002	1,002
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,200</u>	<u>6,200</u>	<u>7,209</u>	<u>1,009</u>
<i>Expenditures</i>				
Current				
Instruction	11,633	40,887	19,956	20,931
Support service - students	-	-	-	-
Support service - instruction	4,567	4,567	3,776	791
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>16,200</u>	<u>45,454</u>	<u>23,732</u>	<u>21,722</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,000)</u>	<u>(39,254)</u>	<u>(16,523)</u>	<u>22,731</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	10,000	39,254	-	(39,254)
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>39,254</u>	<u>-</u>	<u>(39,254)</u>
<i>Net change in fund balances</i>	-	-	(16,523)	(16,523)
<i>Fund balance - beginning of year</i>	-	-	39,254	39,254
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,731</u>	<u>\$ 22,731</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (16,523)
No adjustments to revenues.				-
Adjustments to expenditures for textbooks.				(562)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (17,085)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-6

Aztec Municipal Schools
Mosaic Academy Charter School
Entitlement IDEA-B Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ 58,325	\$ 79,871	\$ 58,535	\$ (21,336)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,325</u>	<u>79,871</u>	<u>58,535</u>	<u>(21,336)</u>
<i>Expenditures</i>				
Current				
Instruction	57,176	78,722	57,276	21,446
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	1,149	1,149	792	357
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>58,325</u>	<u>79,871</u>	<u>58,068</u>	<u>21,803</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	467	467
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	13,102	13,102
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>13,102</u>	<u>13,102</u>
<i>Net change in fund balances</i>	-	-	13,569	13,569
<i>Fund balance - beginning of year</i>	-	-	(12,068)	(12,068)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,501</u>	<u>\$ 1,501</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 13,569
Adjustments to revenue for federal flowthrough grants.				(13,674)
Adjustments to expenditures for salaries.				105
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-7

Aztec Municipal Schools
Mosaic Academy Charter School
Entitlement IDEA-B - Federal Stimulus Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ 34,476	\$ 34,476	\$ 33,774	\$ (702)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>34,476</u>	<u>34,476</u>	<u>33,774</u>	<u>(702)</u>
<i>Expenditures</i>				
Current				
Instruction	33,797	33,797	33,547	250
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	679	679	679	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>34,476</u>	<u>34,476</u>	<u>34,226</u>	<u>250</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(452)</u>	<u>(452)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(452)	(452)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(295)</u>	<u>(295)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (747)</u>	<u>\$ (747)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (452)
Adjustments to revenue for federal flowthrough grants.				689
Adjustments to expenditures for salaries.				<u>(237)</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-8

Aztec Municipal Schools

Mosaic Academy Charter School

State Equalization Guarantee - Federal Stimulus Special Revenue Fund

Statement of Revenues, Expenditures and Changes in

Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal direct	\$ 11,700	\$ 12,332	\$ 54,489	\$ 42,157
State flowthrough	-	-	-	-
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,700</u>	<u>12,332</u>	<u>54,489</u>	<u>42,157</u>
<i>Expenditures</i>				
Current				
Instruction	17,443	21,224	21,224	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>17,443</u>	<u>21,224</u>	<u>21,224</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,743)</u>	<u>(8,892)</u>	<u>33,265</u>	<u>42,157</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,743	8,892	-	(8,892)
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,743</u>	<u>8,892</u>	<u>-</u>	<u>(8,892)</u>
<i>Net change in fund balances</i>	-	-	33,265	33,265
<i>Fund balance - beginning of year</i>	-	-	(33,599)	(33,599)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (334)</u>	<u>\$ (334)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 33,265
Adjustments to revenue for federal direct grants.				(33,265)
No adjustments to expenditures.				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Education Jobs Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

Statement D-9

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	33,228	24,795	(8,433)
State flowthrough	-	-	-	-
State direct	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>33,228</u>	<u>24,795</u>	<u>(8,433)</u>
<i>Expenditures</i>				
Current				
Instruction	-	33,228	32,925	303
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>33,228</u>	<u>32,925</u>	<u>303</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,130)</u>	<u>(8,130)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(8,130)	(8,130)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,130)</u>	<u>\$ (8,130)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (8,130)
Adjustments to revenue for federal direct grants.				8,433
Adjustments to expenditures for salaries.				<u>(303)</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-10

Aztec Municipal Schools
Mosaic Academy Charter School
Microsoft Settlement Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Local sources	30,500	30,486	-	(30,486)
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,500</u>	<u>30,486</u>	<u>-</u>	<u>(30,486)</u>
<i>Expenditures</i>				
Current				
Instruction	30,500	30,486	5,148	25,338
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>30,500</u>	<u>30,486</u>	<u>5,148</u>	<u>25,338</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,148)</u>	<u>(5,148)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(5,148)	(5,148)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,486</u>	<u>30,486</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,338</u>	<u>\$ 25,338</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (5,148)
No adjustments to revenue.				-
No adjustments to expenditures.				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (5,148)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-11

Aztec Municipal Schools

Mosaic Academy Charter School

2008 GO Bond Student Library Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
for the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	-	-	2,091	2,091
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,091</u>	<u>2,091</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,091</u>	<u>2,091</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	2,091	2,091
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,091)</u>	<u>(2,091)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,091
Adjustments to revenue for state flowthrough grants.				(2,091)
No adjustments to expenditures.				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-12

Aztec Municipal Schools
Mosaic Academy Charter School
Beginning Teacher Mentoring Program Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	-	-	-	-
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenue.				-
No adjustments to expenditures.				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-13

Aztec Municipal Schools
Mosaic Academy Charter School
Libraries - SB 301 GO Bonds-Laws of 2006 Special Revenue Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	-	-	-	-
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenue.				-
No adjustments to expenditures.				<u>-</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-14

Aztec Municipal Schools
Mosaic Academy Charter School
Public School Capital Outlay Capital Projects Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	-	-	-	-
State direct	-	116,000	113,874	(2,126)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>116,000</u>	<u>113,874</u>	<u>(2,126)</u>
<i>Expenditures</i>				
Current				
Instruction	-	116,000	113,873	2,127
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>116,000</u>	<u>113,873</u>	<u>2,127</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,056</u>	<u>4,056</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,057</u>	<u>\$ 4,057</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1
No adjustments to revenues.				-
No adjustments to expenditures.				<u>-</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 1</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-15

Aztec Municipal Schools
Mosaic Academy Charter School
Capital Improvements SB-9 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Intergovernmental revenue				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
State flowthrough	3,857	7,981	-	(7,981)
State direct	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,857</u>	<u>7,981</u>	<u>-</u>	<u>(7,981)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support service - students	-	-	-	-
Support service - instruction	-	-	-	-
Support service - general administration	-	-	-	-
Support service - school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	3,857	7,981	1,233	6,748
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,857</u>	<u>7,981</u>	<u>1,233</u>	<u>6,748</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,233)</u>	<u>(1,233)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfer in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(1,233)	(1,233)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,233)</u>	<u>\$ (1,233)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,233)
Adjustments to revenue for SB-9 revenue				1,233
No adjustments to expenditures.				<u>-</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

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STATE OF NEW MEXICO

Schedule I

Aztec Municipal Schools

Schedule of Deposits

June 30, 2011

Primary Government

Deposit Account Type	Citizens Bank	Wells Fargo Bank	Totals
Operational & Capital Improvements - Checking	\$ 7,146,388	\$ -	\$ 7,146,388
Athletic Account - Checking	174,902	-	174,902
Federal Projects - Checking	125,387	-	125,387
Activity Account - Checking	373,431	-	373,431
Payroll Clearing - Checking	904,208	-	904,208
Accounts Payable Clearing - Checking	-	179,337	179,337
Debt Service Account - Checking	-	3,338,233	3,338,233
Food Service - Checking	-	2,225,587	2,225,587
Certificate of Deposit	-	1,945,044	1,945,044
Certificate of Deposit	-	1,053,598	1,053,598
Certificate of Deposit	-	600,091	600,091
Certificate of Deposit	-	218,756	218,756
Certificate of Deposit	-	119,192	119,192
Certificate of Deposit	-	1,825,440	1,825,440
Cafeteria - Checking	-	2,891,324	2,891,324
Total on deposit	8,724,316	14,396,602	23,120,918
Reconciling items			(537,758)
Plus petty cash			200
Reconciled balance June 30, 2011			\$ 22,583,360
Reconciliation to the financial statements:			
Cash and cash equivalents:			
Government-wide statement of net assets - Exhibit A-1			\$ 18,559,161
Restricted cash and cash equivalents:			
Government-wide statement of net assets - Exhibit A-1			3,657,841
Fiduciary statement of fiduciary assets and liabilities - Exhibit D-1			366,358
			\$ 22,583,360

Component Unit

Deposit Account Type	Citizens Bank
Operational - Checking	\$ 390,701
Payroll Clearing - Checking	44,514
Accounts Payable Clearing - Checking	16,902
Total on deposit	452,117
Reconciling items	(31,247)
Reconciled balance June 30, 2011	\$ 420,870
Reconciliation to the financial statements:	
Cash and cash equivalents:	
Government-wide of statement net assets - Exhibit A-1	\$ 416,150
Fiduciary statement of assets and liabilities - Statement D-3	4,720
	\$ 420,870

See independent auditors' report

STATE OF NEW MEXICO
Aztec Municipal Schools
Cash Reconciliation
For the Year Ended June 30, 2011

Primary Government

	<u>Operational</u>	<u>Pupil Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Audited Cash June 30, 2010	\$ 876,456	\$ 139,941	\$ 176,957	\$ 88,989
Add:				
Current year receipts	<u>20,597,757</u>	<u>1,120,732</u>	<u>137,967</u>	<u>1,172,896</u>
Total cash available	<u>21,474,213</u>	<u>1,260,673</u>	<u>314,924</u>	<u>1,261,885</u>
Less:				
Current year expenditures	(20,468,162)	(1,259,656)	(285,371)	(1,111,499)
Outstanding loans	<u>64,557</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance, June 30, 2011	<u>\$ 1,070,608</u>	<u>\$ 1,017</u>	<u>\$ 29,553</u>	<u>\$ 150,386</u>
Plus:				
Held Checks	<u>622,062</u>	<u>62,101</u>	<u>-</u>	<u>-</u>
Total cash balance per financial statements	<u>\$ 1,692,670</u>	<u>\$ 63,118</u>	<u>\$ 29,553</u>	<u>\$ 150,386</u>

Component Unit

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>
Audited Cash June 30, 2010	\$ 234,718	\$ -	\$ 39,254	\$ -
Add:				
Current year receipts	1,145,142	-	7,209	-
Transfers	<u>(13,102)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	<u>1,366,758</u>	<u>-</u>	<u>46,463</u>	<u>-</u>
Less:				
Current year expenditures	(1,070,561)	-	(23,732)	-
Outstanding loans	<u>38,675</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance, June 30, 2011	<u>\$ 334,872</u>	<u>\$ -</u>	<u>\$ 22,731</u>	<u>\$ -</u>
Plus:				
Held Checks	<u>25,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance per financial statements	<u>\$ 360,846</u>	<u>\$ -</u>	<u>\$ 22,731</u>	<u>\$ -</u>

See independent auditors' report

<u>Athletics</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>	<u>State Flowthrough</u>	<u>State Direct</u>
\$ 216,474	\$ 118,936	\$ 3,625	\$ -	\$ 155,420	\$ 88,749
<u>113,475</u>	<u>1,745,339</u>	<u>1,058,668</u>	<u>17,426</u>	<u>27,837</u>	<u>112,357</u>
<u>329,949</u>	<u>1,864,275</u>	<u>1,062,293</u>	<u>17,426</u>	<u>183,257</u>	<u>201,106</u>
(154,928)	(1,723,308)	(1,197,974)	(1,248)	(64,314)	(73,294)
<u>-</u>	<u>(183,001)</u>	<u>142,753</u>	<u>(3,258)</u>	<u>(21,051)</u>	<u>-</u>
<u>\$ 175,021</u>	<u>\$ (42,034)</u>	<u>\$ 7,072</u>	<u>\$ 12,920</u>	<u>\$ 97,892</u>	<u>\$ 127,812</u>
-	42,862	7,326	-	767	1,516
<u>\$ 175,021</u>	<u>\$ 828</u>	<u>\$ 14,398</u>	<u>\$ 12,920</u>	<u>\$ 98,659</u>	<u>\$ 129,328</u>

<u>Athletics</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>	<u>State Flowthrough</u>	<u>State Direct</u>
\$ -	\$ 1,760	\$ 4,688	\$ 30,486	\$ 2	\$ -
-	92,309	79,284	-	2,091	-
<u>-</u>	<u>13,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>107,171</u>	<u>83,972</u>	<u>30,486</u>	<u>2,093</u>	<u>-</u>
-	(94,186)	(59,140)	(5,148)	-	-
<u>-</u>	<u>(12,985)</u>	<u>(24,832)</u>	<u>-</u>	<u>(2,091)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,338</u>	<u>\$ 2</u>	<u>\$ -</u>
-	1,892	1,284	-	-	-
<u>\$ -</u>	<u>\$ 1,892</u>	<u>\$ 1,284</u>	<u>\$ 25,338</u>	<u>\$ 2</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Cash Reconciliation
For the Year Ended June 30, 2011

Primary Government

	Bond Building	Public School Capital Outlay	Capital Improvements SB-9	Debt Service
Audited Cash June 30, 2010	\$ 4,953,573	\$ 54	\$ 5,707,937	\$ 4,581,072
Add: Current year receipts	<u>12,200,277</u>	<u>-</u>	<u>1,948,570</u>	<u>28,635,147</u>
Total cash available	<u>17,153,850</u>	<u>54</u>	<u>7,656,507</u>	<u>33,216,219</u>
Less: Current year expenditures	(6,568,045)	-	(2,050,086)	(29,558,378)
Outstanding loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance, June 30, 2011	<u>\$ 10,585,805</u>	<u>\$ 54</u>	<u>\$ 5,606,421</u>	<u>\$ 3,657,841</u>
Plus: Held Checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance per financial statements	<u>\$ 10,585,805</u>	<u>\$ 54</u>	<u>\$ 5,606,421</u>	<u>\$ 3,657,841</u>

Component Unit

	Bond Building	Public School Capital Outlay	Capital Improvements SB9	Debt Service
Audited Cash June 30, 2010	\$ -	\$ 4,056	\$ -	\$ -
Add: Current year receipts	-	113,874	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	<u>-</u>	<u>117,930</u>	<u>-</u>	<u>-</u>
Less: Current year expenditures	-	(113,873)	(1,233)	-
Outstanding loans	<u>-</u>	<u>-</u>	<u>1,233</u>	<u>-</u>
Total cash balance, June 30, 2011	<u>\$ -</u>	<u>\$ 4,057</u>	<u>\$ -</u>	<u>\$ -</u>
Plus: Held Checks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance per financial statements	<u>\$ -</u>	<u>\$ 4,057</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report

Total

\$ 17,108,183

68,888,448

85,996,631

(64,516,263)

-

\$ 21,480,368

736,634

\$ 22,217,002

Total

\$ 314,964

1,439,909

-

1,754,873

(1,367,873)

-

\$ 387,000

29,150

\$ 416,150

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STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Collateral Pledged By Depository For Public Funds
June 30, 2011

Schedule III

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2011	Location of Safekeeper
Wells Fargo Bank					
	FN 256091	1/1/2036	31371MNG8	\$ 1,008,359	San Francisco, CA
	FN 257262	7/1/2036	31371NWX9	308,574	San Francisco, CA
	FN 831610	6/1/2036	34107H3T1	5,415,685	San Francisco, CA
	FN 852292	5/1/2036	31408H2Z7	1,078,536	San Francisco, CA
	FN 879124	6/1/2036	31409UVR3	779,524	San Francisco, CA
	FN 896547	7/1/2036	31410TBQ7	256,205	San Francisco, CA
	FN AA0888	12/1/2038	31416H7A7	26,841	San Francisco, CA
	GN 781280	4/1/2031	36225BM54	<u>103,543</u>	San Francisco, CA
	Total Wells Fargo Bank			<u>8,977,266</u>	
Citizens Bank					
	FHLB Note	4/15/2020	433866DC1	1,614,375	Dallas, TX
	FHLB Note	3/25/2033	31393CUS0	107,308	Dallas, TX
	FHLB Note	12/1/2034	31394BW26	1,113,297	Dallas, TX
	FHLB Note	2/25/2034	31394DVM9	103,555	Dallas, TX
	FHLB Note	5/1/2015	388240DK6	522,965	Dallas, TX
	FHLB Note	11/15/2032	31331KCQ1	<u>2,021,339</u>	Dallas, TX
	Total Citizens Bank			<u>5,482,840</u>	
	Total Pledged Collateral			<u><u>\$14,460,106</u></u>	
Component Unit					
Citizens Bank					
	GNMA II	12/20/2033	36202D2V2	<u>\$ 223,683</u>	Dallas, TX
	Total Pledged Collateral for Component Unit			<u><u>\$ 223,683</u></u>	

See independent auditors' report

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Changes in Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2011

Primary Government

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Summer School	\$ 3,515	\$ 11,753	\$ 9,525	\$ 5,743
Woodshop	2,895	291	1,352	1,834
Welding	457	199	230	426
FACS	1,711	1,475	1,475	1,711
Art	253	-	-	253
ROTC	11,241	1,245	12,481	5
Math	181	-	122	59
Prom	1	-	240	(239)
Interest	3,269	-	79	3,190
AGH Grant	81	-	-	81
Nurses	62	-	-	62
School Board	9,902	34	-	9,936
Sam's Club Scholarships	244	-	300	(56)
Football	(510)	22	-	(488)
Trainer Donation	(1,028)	8,500	15,011	(7,539)
Boys Basketball	389	-	-	389
Girls Basketball	218	-	945	(727)
Volleyball	79	-	410	(331)
Wrestling	742	357	-	1,099
Track	1,825	250	155	1,920
Softball	1,325	-	90	1,235
Baseball	(474)	5,503	4,672	357
Boys Soccer	2,092	258	110	2,240
Cross County	43	-	-	43
Miscellaneous	162,789	124,918	139,730	147,977
Coke Exclusivity	1,404	-	-	1,404
Activity Interest	1,468	-	-	1,468
SQS Category V	9,601	-	-	9,601
Golf	170	-	300	(130)
Bayless Surface Damage	9,718	-	-	9,718
Rebates	41,642	6,509	11,174	36,977
Wellness Fair	7	-	-	7
Cheerleaders	118	25	-	143
Teachers	2,941	-	-	2,941
Instructional Technology	500	-	500	-
Drill Team	996	-	617	379
Girls Soccer	2,912	6,231	4,236	4,907
Director	22,628	62,913	36,690	48,851
Scholarship	10,000	-	-	10,000
	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Subtotals	<u>\$ 305,407</u>	<u>\$ 230,483</u>	<u>\$ 240,444</u>	<u>\$ 295,446</u>

See independent auditors' report

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Changes in Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2011

Schedule IV

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Subtotals	\$ 305,407	\$ 230,483	\$ 240,444	\$ 295,446
Band	2,654	1,314	2,259	1,709
Instrument Rentals	700	85	340	445
Choir	12,750	34	3,212	9,572
Tri-M	90	300	-	390
Student Government	4,529	13,695	7,041	11,183
Parking	3,004	3,560	3,189	3,375
Library	12,598	20,609	13,844	19,363
FFA	1,508	32,918	34,385	41
FFA Barn	1,357	93	653	797
Social Studies	140	-	30	110
PNM Grant	9,701	29,149	29,988	8,862
Yearbook	(1,312)	36,368	32,775	2,281
BPOA	1,516	-	390	1,126
Newspaper	(300)	300	-	-
Close-up	2	-	-	2
Hope	1,698	-	994	704
Destination Imagination	741	-	-	741
PE	604	23	-	627
AHS School Store	1,546	-	1,546	-
KMS Positive Behavior	260	1,092	1,239	113
Drama	7,462	9,618	10,515	6,565
River Watch	134	-	134	-
Key Club	1,950	4,438	5,027	1,361
NHS	873	640	520	993
Risk Intervention	(180)	180	-	-
Gentle Especial	80	-	80	-
Chess Club	181	935	564	552
Cheerleader Uniforms	25	-	25	-
Supercomputing	26	-	26	-
Native American	58	-	58	-
Totals	\$ 369,802	\$ 385,834	\$ 389,278	\$ 366,358
Component Unit				
Cash	\$ 6,602	\$ 27,396	\$ 29,278	\$ 4,720
Receivables	-	132	-	132
Totals	\$ 6,602	\$ 27,528	\$ 29,278	\$ 4,852

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, the budgetary comparison for the general fund and the aggregate remaining fund information of Aztec Municipal Schools (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 9, 2011. We have also audited the financial statements of each of the District's nonmajor governmental funds, the component unit funds and the respective budgetary comparisons for the major capital projects funds, the debt service fund, the component unit funds, and the nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items FS 10-01 and FS 10-04 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

This report is intended solely for the information and use of the audit committee management, others within the organization, the Board of Education, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities, such as the New Mexico Public Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 9, 2011

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the Aztec Municipal Schools (“the District”) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2011. The District’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District’s compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items FA 11-01 and FA 11-02. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board of Education, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities, such as the New Mexico Public Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 9, 2011

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass Through Grantor/Program Title	Pass Thru Number	Federal C.F.D.A. Number	Expenditures
<u>Department of Education</u>			
Passed through from New Mexico			
Public Education Department			
Improving America's Schools Title I	24101	84.010 (1)	\$ 481,844
Individuals With Disabilities Act - Entitlement	24106	84.027 (2)	651,558 *
Individuals With Disabilities Act - Preschool	24109	84.173 (2)	20,259 *
IDEA-B "Risk Pool"	24120	84.027 (2)	386 *
Improving Teacher Quality	24154	84.367A	143,862
Safe & Drug Free Schools & Communities	24157	84.186	4,174
Title I School Improvement	24162	84.010 (1)	5,065
Individuals With Disabilities Act - Entitlement - ARRA	24206	84.391 (2)	340,865 *
Individuals With Disabilities Act - Preschool - ARRA	24209	84.392 (2)	17,800 *
Direct Assistance			
Indian Education Formula Grant	25184	84.060A	87,707
State Equalization Guarantee - Federal Stimulus - ARRA	25250	84.394	483,072 *
Education Jobs Fund - Federal Stimulus	25255	84.410	580,588 *
Total Department of Education			<u>2,817,180</u>
<u>Department of Health and Human Services</u>			
Passed through from New Mexico			
Public Education Department			
Education of Homeless - Federal Stimulus	24213	84.196	<u>6,810</u>
Total Department of Health and Human Services			<u>6,810</u>
<u>Bureau of Indian Affairs</u>			
Direct programs			
Johnson O'Malley	25131	15.130	<u>17,738</u>
Total Bureau of Indian Affairs			<u>17,738</u>
<i>Department of Agriculture</i>			
National School Lunch Program			
Direct programs			
Food Distribution	21000	10.550 (3)	61,145
National School Lunch Act	21000	10.555 (3)	<u>805,200</u>
Total Department of Agriculture			<u>866,345</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,708,073</u></u>

* Major program
() Cluster Program

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Schedule V

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Aztec Municipal Schools, New Mexico (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the modified accrual basis financial statements.

Subrecipients

The District did not provide any federal awards to subrecipients during the year.

Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2011 was \$61,145 and is reported in the schedule of Expenditures of Federal Awards under the Department of Agriculture Program, CFDA number 10.550.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 3,708,073
Total expenditures funded by other sources	<u>36,374,194</u>
Total expenditures	<u><u>\$ 40,082,267</u></u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued:	Unqualified
Internal control over financial reporting: Material weakness identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Identification of major programs:

CFDA Number	Federal Program
84.027, 84.173, 84.391 and 84.392 84.394 84.410	IDEA-B Cluster SEG – Federal Stimulus - ARRA Education Jobs Fund - ARRA

Dollar threshold used to distinguish Between type A and type B programs:	\$300,000
Auditee qualified as low risk auditee?	No

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Primary Government

FS 10-01 Activity Level Control Deficiencies (Repeated/Modified) – Significant Deficiency

Condition: During our process of understanding the District and its environment, we noted instances where elements of the District's internal control framework were deficient for lack of documentation or implemented as we noted the following:

- During our disbursements and payroll test work, we noted that the District does not review master files for inaccurate or unauthorized changes.
- During our testwork of Student Activity Funds, we noted that there were 29 out of 70 funds tested totaling \$2,569 in which the beginning cash balance did not agree to the prior year ending cash balance. We also noted that there were 7 funds totaling \$9,510 in which the activity fund maintained a negative ending cash balance.

Criteria: The internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring. With these elements in place, the District can maximize its potential for achieving its performance targets and reduce the risk of loss of resources. Also, State Statute 6-10-2 NMSA, 1978 and 6.20.2.23 (C), NMAC, state that the business office is responsible for maintaining adequate collateral pledged for monies in activity funds, assisting club sponsors and treasurers in order to assure: timely deposits within 24 hours or one banking day, appropriate approvals are obtained for disbursements, an internal control structure is in place to safeguard the assets and promote reliability of the activity financial reports, accurate bank or cash reconciliations are prepared timely and records are retained for review by business office and auditor.

Effect: The District is exposing itself to the risk of misappropriation of assets and could potentially hinder the District from achieving effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

Cause: The District's activity level controls in place over maintenance of master files did not mitigate the deficiencies listed above. Also, the District changed the way they track the Activity fund cash at the beginning of the 2010-2011 fiscal year by consolidating all cash balances into one account. The District also changed the way they track the Activity fund cash in the accounting system due to an update applied in the current fiscal year. This was a result of the District not adequately preparing activity fund bank reconciliations at the Schools and the District's administration was not adequately reviewing or overseeing the agency fund reconciliations.

Auditors' Recommendations: We recommend that the District incorporate mitigating controls to prevent inaccurate or unauthorized changes to employee master files. We also recommend that management should educate the employees responsible for activity funds regarding the State Statutes and the District's Activity Fund policies and procedures, and continue to monitor each site for continuous improvement.

Management's Response: These recommendations have been implemented. In regards to reviewing the master files for inaccurate or unauthorized changes, as part of our review of payroll changes for each payroll, the master file is printed and reviewed to safeguard the accuracy of our payroll system and to prevent inaccurate or unauthorized changes.

Review of the Student Activity Funds yielded errors in revenue recognition in select student activity accounts which have been corrected. A meeting with the financial secretaries has been set for November 28 to review the State Statutes and the Districts activity fund policies and procedures. Reports are generated monthly and are being reconciled to the balances shown at sites.

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Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-04 Overspending of Reimbursement Basis Grants/Appropriations (Repeated/Modified) – Significant Deficiency

Condition: During our field work, we noted that there were funds that overspent the appropriation or award. These funds were:

- 24101 – Title I IASA Fund in the amount of \$136,816
- 24106 – Entitlement IDEA-B Fund in the amount of \$90,254
- 24109 – Preschool IDEA-B Fund in the amount of \$13,597
- 24154 – Teacher/Principal Training & Recruiting Fund in the amount of \$48,242
- 24157 – Safe & Drug Free Schools & Communities Fund in the amount of \$3,118
- 24162 – Title I School Improvement Fund in the amount of \$3,182
- 25131 – Johnson O’Malley Fund in the amount of \$9,979
- 26125 – Wallace Foundation Grant Fund in the amount of \$4,527
- 27141 – Truancy Initiative PED Fund in the amount of \$33,452
- 27163 – Schools in Need of Improvement Fund in the amount of \$3,825

Criteria: Good cash management practices require that the District request reimbursement for federal and state grants as soon as possible after the grant expenditures are made, and monitor the grantor responses to those requests, to ensure the soonest possible repayment for reimbursement-basis grant expenditures. Also, the District must monitor the expenditures to ensure they are within the award amount. The District failed to make permanent transfers to close funds that were identified in prior year audit findings.

Effect: The District has to borrow money from other funds to pay for expenditures of funds with outstanding account receivables. This increases the risk of supplanting funds and is a result of overspending of budget in prior years.

Cause: The District has not placed appropriate oversight on the internal controls in place to monitor federal and state grant expenditures and ensure spending was within the adopted budgets.

Auditors’ Recommendations: We recommend that the District adopt budgets that are within the award amount and monitor expenditures so that they do not exceed these budgets. Also, we recommend that in the future the District request reimbursements for federal and state grant expenditures as soon as possible after grant expenditures are made, and monitor and follow up with the grantors to ensure timely payment of the receivables due to the District. Lastly, we recommend the District make permanent transfers to close funds identified above.

Management’s Response: The above mentioned amounts were due to loans made in prior years. We are still researching some of the amounts, but the result will require making permanent cash transfer to the federal project accounts to remove the loans. We currently have a system in place to make sure we have submitted and received all reimbursable expenditures.

Component Unit

NONE

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

C. FINDINGS - FEDERAL AWARDS

FA 11-01 Excluded Parties List – Significant Deficiency

Federal Program Information:

Funding agency: U.S. Department of Education
 Title: All major programs
 CFDA number: All major programs

Questioned Costs: None

Condition: During our review of the procurement process, for all major programs tested, it was noted the District does not reference the Excluded Parties List System contracts of goods or services in which more than \$25,000 is expended.

Criteria: The OMB A-133 stipulates non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered Transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction that is expected to equal or exceed \$25,000 or meet other certain specified criteria.

Effect: The District could be contracting with vendors for services or goods that are included on the suspension and debarment listing which potentially decrease federal funding received since this is considered non-compliance.

Cause: The District has not implemented checking the Excluded Parties List System website into their purchasing process.

Auditors’ Recommendations: We recommend that the District implement procedures to ensure all vendors for services and goods over \$25,000 be verified that they do not exist on the suspension and debarment listing.

Management’s Response: The district will review the Excluded Parties List System website for every new vendor entered into the accounting system.

FA 11-02 Indirect Costs – Significant Deficiency

Federal Program Information:

Funding Agency: U.S. Department of Education
 Title: IDEA-B Cluster
 CFDA Number: 84.027, 84.173, 84.391 and 84.392

Questioned Costs: None

Condition: During our evaluation we noted that indirect cost rates were not being consistently applied. This resulted in over and undercharges to the following programs:

<u>Program</u>	<u>Indirect Cost Rate per PED</u>	<u>Indirect Cost Rate Charged</u>	<u>Amount Over (Under) Charged</u>
Individuals with Disabilities Act - Entitlement	2.76%	3.18%	\$ 2,680
Individuals with Disabilities Act - Preschool	2.76%	3.10%	67
IDEA-B "Risk Pool"	2.76%	0.00%	(11)
Individuals with Disabilities Act - Entitlement - ARRA	2.76%	3.39%	2,030
Individuals with Disabilities Act - Preschool - ARRA	2.76%	2.88%	20
			<u>\$ 4,786</u>

STATE OF NEW MEXICO
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Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

C. FINDINGS - FEDERAL AWARDS (continued)

FA 11-02 Indirect Costs – Significant Deficiency (continued)

Criteria: The New Mexico Public Education Department mandates the indirect cost rate for Aztec Municipal Schools each fiscal year. For the fiscal year 2011 the rate to be used by the District was 2.76%. Furthermore, OMB Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments, requires that indirect costs be consistent with policies, regulations, and procedures that apply to Federal awards.

Effect: The District has made indirect cost charges that are incorrect. Programs that have made over charges could be subject to penalties and those that have made undercharges have underfunded their program.

Cause: The determination of these indirect cost rates applied is unknown. The employee who was responsible for the determination did not have proper training over accounting principles, they were also not aware of the basis behind the calculations.

Auditors' Recommendations: We recommend that the District ensure that the indirect cost rate used corresponds to the rate dictated by the New Mexico Public Education Department. Additionally, the District should ensure that the indirect cost rate is applied consistently to all applicable federal programs. Furthermore, the District should follow the following methodology in calculating the indirect cost rate, ensuring that indirect costs and amounts to be charged to indirect cost are in agreement:

Total Expenditures
Less: Indirect Costs
Less: Equipment Purchases
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Expenditures subject to Indirect Cost Rate
Multiply by Indirect Cost Rate
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Amount to be charged as Indirect Cost
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Management's Response: The recommendations have been implemented.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Schedule VI

D. PRIOR YEAR AUDIT FINDINGS

Primary Government

FS 09-05 Cash Appropriations in Excess of Available Cash Balances – Resolved

FS 09-06 Exceeded Budget Authority - Resolved

FS 10-01 Activity Level Control Deficiencies – Repeated/Modified

FS 10-02 Stale Dated Checks – Resolved

FS 10-03 Capital Assets Depreciation – Resolved

FS 10-04 Overspending of Reimbursement Basis Grants/Appropriations - Repeated/Modified

Component Unit

FS 09-08 Cash Appropriations in Excess of Available Cash Balances – Resolved

FS 10-05 Stale Dated Checks - Resolved

STATE OF NEW MEXICO
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Other Disclosures
For the Year Ended June 30, 2011

Schedule VII

OTHER DISCLOSURES

Exit Conference

The contents of this report were discussed on November 10, 2011. The following individuals were in attendance.

Primary Government

Kirk Carpenter - Superintendent
Tania Prokop - Deputy Superintendent
Mitch Waggoner - Board President
Christy Lillywhite - Board Member
Ryan Manning - Director of Finance
Nathan Holmes - Director of Technology
Jeanette McCoy -Parent

Accounting & Consulting Group, LLP

Robert Cordova, CPA - Manager
Kyle Reeves - Senior Accountant

Component Unit

Marti Kirchmer - Board Member
Sherry Candelaria - Office Manger
Bonnie Braden - Principal
Nancy Ross - Finance Director
Jen Hurst – Board President
Diane Mittler – Director of Instruction

Auditor Prepared Financial Statements

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of Aztec Municipal Schools from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.