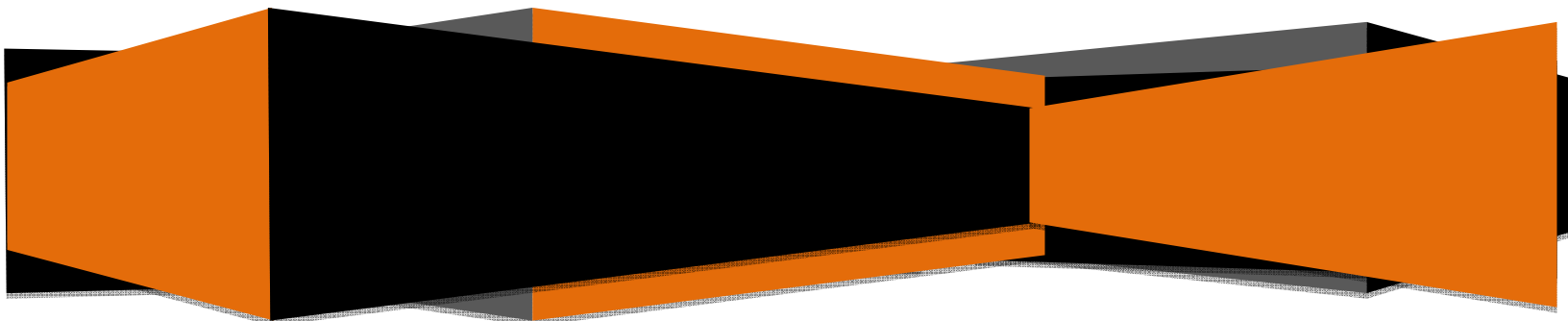


**STATE OF NEW MEXICO
AZTEC MUNICIPAL SCHOOL DISTRICT**



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

FOR THE YEAR ENDED JUNE 30, 2012



Aztec Municipal Schools

Mission Statement

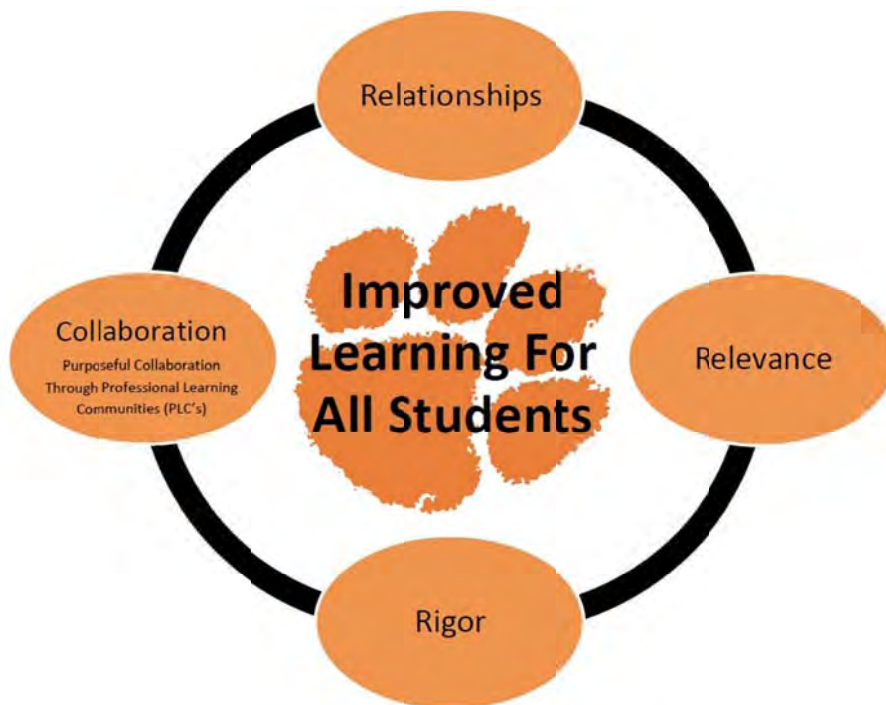
In a safe, caring environment, we will partner with our community to produce responsible citizens who are globally competitive and prepared for life in the 21st century.

Vision

Aztec students will be prepared and excel in a globally competitive 21st century by being:

- Active participants in the learning process
- Held accountable for their learning
- Engaged in a relevant and rigorous learning environment
- Effective collaborators and skilled critical thinkers
- Technologically capable

Continuous Learning Foundation





Aztec Municipal Schools

Building a Foundation for Success

Business Office

1118 W. Aztec Blvd | Aztec, NM 87410
(505)334-9474 | FAX (505)334-9861

November 1, 2012

To the Citizens and Board of Education of the Aztec Municipal School District

We are pleased to present to you the annual financial report of the Aztec Municipal School District (the District) for the fiscal year ended June 30, 2012.

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the Aztec Municipal School District for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The District's financial statements have been audited by Accounting Consulting Group, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statement of the District was part of a broader, federal mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion.

ACKNOWLEDGMENT

The success of our yearly financial audit and the preparation of the financial statements on a timely basis could not be accomplished without the dedication and effort of the entire Central Office staff with special appreciation to the employees working in the business office. Our appreciation extends to all of the District's employees who work tirelessly to ensure the integrity and strength of our internal controls and who assisted in the timely closing of the District's financial records.

We would also like to thank President Mitch Waggoner and members of the Board of Education for their unwavering support and dedication to ensure the Districts' future sustainability and financial success. Their accountability and dedication leads the Districts' efforts to improve learning for all students and staff.

Respectfully submitted,



Ryan Manning
Director of Finance

STATE OF NEW MEXICO
 Aztec Municipal Schools
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INTRODUCTION SECTION

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Aztec Municipal Schools
Official Roster
June 30, 2012

BOARD OF EDUCATION

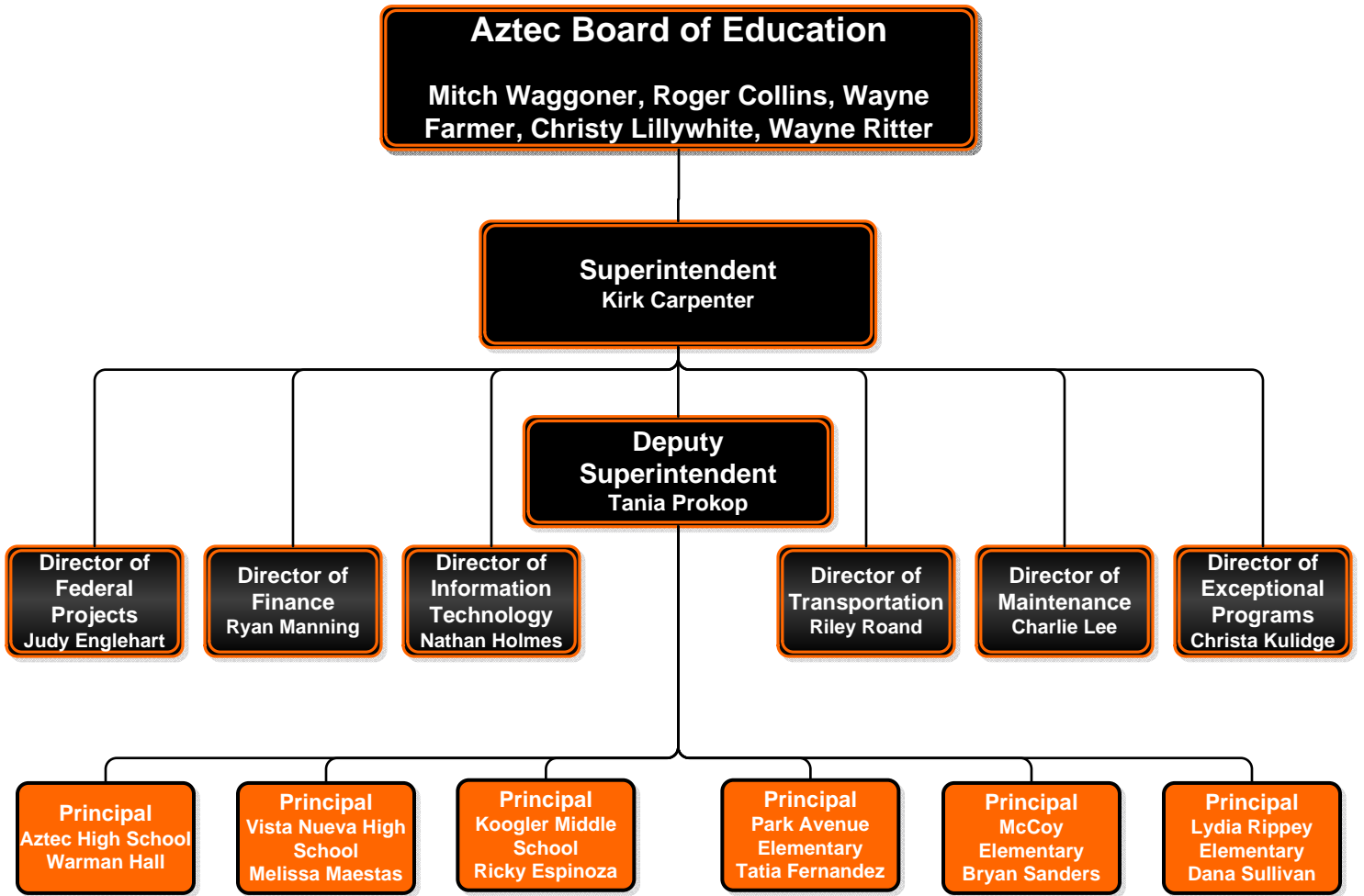
Mitch Waggoner	President
Roger Collins	Vice-President
Wayne Farmer	Secretary
Christy Lillywhite	Member
Wayne Ritter	Member

SCHOOL OFFICIALS

Kirk Carpenter	Superintendent
Tania Prokop	Deputy Superintendent
Christa Kulidge	Director of Exceptional Programs
Ryan Manning	Director of Finance
Judy Englehart	Director of Instruction
Charlie Lee	Director of Maintenance
Nathan Holmes	Director of Technology
Riley Roland	Director of Transportation



Aztec Municipal Schools Organization Chart



FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

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 comparisons for the General Fund and major special revenue funds and the aggregate remaining fund information of Aztec Municipal Schools (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds, the component unit funds, the combining financial statements for the General Fund and the respective budgetary comparisons for the major capital projects funds, the major 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, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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, 2012, and the respective changes in financial position thereof, 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, each component unit fund and the combining financial statements for the General Fund of the District, as of June 30, 2012, and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2012 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 1, 2012



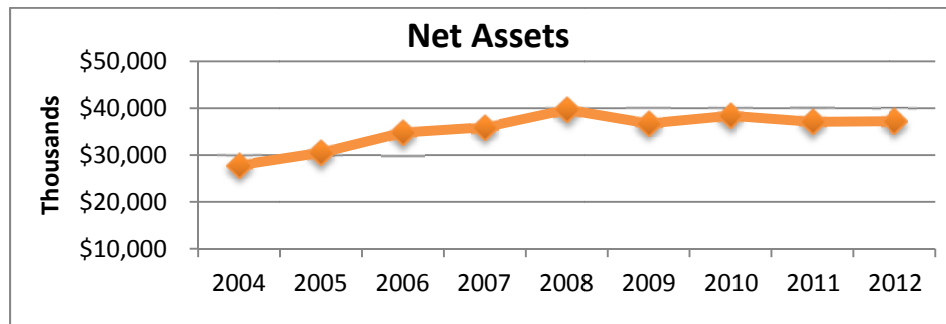
Introduction

The financial performance of the Aztec Municipal Schools (the District) for the fiscal year ended June 30, 2012 will be the subject of this discussion and analysis. The intent is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

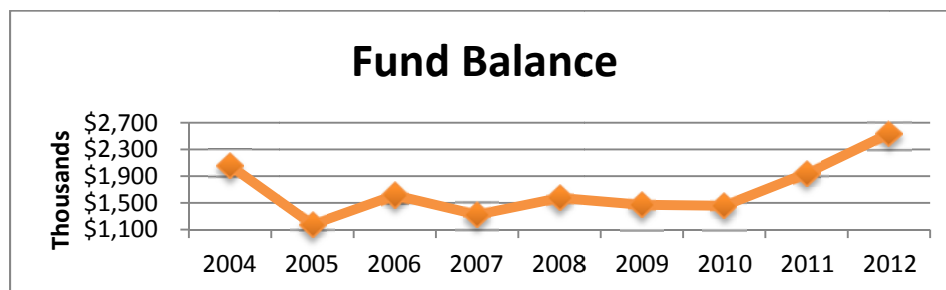
Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- The District maintained a strong **Aa3** rating from Moody's Investor Services for the sale of General Obligation Bonds. During the fiscal year ended June 30, 2012, the District's debt management program produced a tax rate for debt at \$4.57 per thousand dollars of assessed valuation. This rate decreased from \$4.64 in the prior year.
- Total assets of Governmental Activities was \$ 86,375,569
- Total liabilities of Governmental Activities was \$49,144,412
- Net Assets of Governmental Activities was \$37,231,157



- General Fund revenues exceeded expenditures by \$935,155 resulting in a year-end fund balance of \$2,536,141, 12% of total general fund expenditures.



- 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 \$115,806,439 with accumulated depreciation of \$45,463,932 were recorded.



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.

Government -Wide Financial Statements

Statement of Net Assets and Statements of Activities

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the School District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, facility conditions, required educational programs, and other factors.

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.

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.

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2012



Summary of Statement of Net Assets

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>Assets</u>			
Current assets	\$ 11,469,094	\$ 19,716,780	\$ 13,916,952
Capital assets	115,806,439	109,774,562	103,447,046
Accumulated depreciation	(45,463,932)	(43,850,869)	(41,029,519)
Other noncurrent assets	<u>4,563,968</u>	<u>4,150,171</u>	<u>4,718,025</u>
 Total assets	 <u><u>\$ 86,375,569</u></u>	 <u><u>\$ 89,790,644</u></u>	 <u><u>\$ 81,052,504</u></u>
 <u>Liabilities</u>			
Accounts payable	\$ 1,070,583	\$ 1,471,444	\$ 1,016,413
Accrued interest	355,481	378,242	397,476
Other current liabilities	3,308,166	3,108,470	3,532,037
Long-term liabilities	<u>44,410,182</u>	<u>47,730,963</u>	<u>37,716,641</u>
 Total liabilities	 <u><u>\$ 49,144,412</u></u>	 <u><u>\$ 52,689,119</u></u>	 <u><u>\$ 42,662,567</u></u>
 <u>Net Assets</u>			
Invested in capital assets	\$ 26,973,809	\$ 18,598,693	\$ 17,940,763
Restricted: Debt service	3,972,038	3,293,480	7,968,069
Restricted: Capital projects	3,095,140	2,929,142	9,879,439
Restricted: Other Purpose	708,822	217,404	490,949
Unrestricted	<u>2,481,348</u>	<u>12,062,806</u>	<u>2,110,717</u>
 Total net assets	 <u><u>\$ 37,231,157</u></u>	 <u><u>\$ 37,101,525</u></u>	 <u><u>\$ 38,389,937</u></u>

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2012



Statement of Activities – This statement 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.

Summary of Statement of Activities

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>Revenues</u>			
Program revenues:			
Charges for services	\$ 556,615	\$ 548,872	\$ 517,477
Operating grants	4,459,698	4,896,492	6,105,381
Capital grants	90,674	65,355	170,289
General revenues:			
Property taxes	2,487,343	2,593,313	2,731,404
Federal and state aid	20,267,718	20,108,394	19,519,359
Other	<u>3,485,988</u>	<u>3,833,792</u>	<u>4,726,221</u>
 Total revenues	 <u>31,348,036</u>	 <u>32,046,218</u>	 <u>33,770,131</u>
 <u>Expenses</u>			
Instruction	18,366,733	15,179,345	16,265,520
Support services	10,412,102	14,770,170	13,189,073
Food services	1,296,076	1,190,336	1,040,416
Interest on long- term debt	<u>1,143,493</u>	<u>2,194,779</u>	<u>1,628,095</u>
 Total expenses	 <u>31,218,404</u>	 <u>33,334,630</u>	 <u>32,123,104</u>
 Changes in net assets	 <u>\$ 129,632</u>	 <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, IDEA B, Instructional Material Adoption Support, 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, the charges of services, and the revenues that are received to perform these services. The Statement of Activities 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 State Equalization Guarantee (SEG) 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 98% of the total operating budget from the State of New Mexico through the SEG.

The state of New Mexico, through the Public Education Department, establishes annually a "Unit Value" that is used, along with student membership and the SEG 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 and the District anticipates this trend to continue due to unfavorable economic factors. The District realized membership growth of 81 students resulting in an increase to the District's SEG of \$292,113. The District anticipates membership to remain relatively flat for the near future.

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

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2012



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 \$22,151,490 and actual cash basis revenues of \$22,247,289. Expenditures were budgeted at \$23,792,325 and actual cash basis expenditures were \$21,399,631. 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 \$2,536,141.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012 the District had \$115,806,439 invested in capitalized assets and had accumulated depreciation of \$45,463,932. 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 completion of the new construction at Koogler Middle 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, 2012 the District had outstanding General Obligation bonds in the amount of \$45,025,000. The District is bonded to 81.48% of the legal limit of \$55,262,117 based on assessed property value of \$921,035,285.

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 guidelines and serves as a working document for future facility needs within the 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. In February 2012, voters authorized the issuance of \$17 million in bonds; however the Board of Education has chosen not to sell bonds at this time due to unfavorable economic conditions.

Future Outlook and Budget

The District is committed to openness and transparency and focuses on performance based budgeting, which means the District will fund what works, using the budget to drive 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 needed 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.

To improve student learning for all students and staff, the District is fully engaged in Professional

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2012



Learning Communities (PLC), adopting the Common Core State Standards, while also piloting a new teacher evaluation program for the state. As the District moves forward, it is vital that the financial position of the District remain strong not only to support the functions of the District but to ensure the District can take advantage of every opportunity to improve learning for all students and staff. Future financial stability is not without its challenges.

The District depends heavily on the 2-mill levy which provides the necessary funds to maintain its facilities. The 2-mill election will be in 2013 where the voters will pass or deny approval of the levy. We are hopeful the voters will continue their support going forward, but the issue is concerning. Management must ensure resources are preserved as long as possible. Aztec has not experienced substantial growth and as such the membership numbers for the Aztec School District are anticipated to remain fairly flat. Loss of students results in less revenue from the state which affects decision making. Another factor important to the District's sustainability are state and local economies. As mentioned before, school districts are funded by the state using a complicated formula to allocate education funds across New Mexico. An improved economy will provide more revenue to be distributed for education.

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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Other District information may be accessed at:

www.aztecschools.com

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Net Assets
As of June 30, 2012

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 10,189,079	\$ 352,385
Receivables		
Taxes receivable	457,206	-
Due from other governments	738,908	40,207
Other receivables	65,281	-
Inventory	18,620	-
Total current assets	11,469,094	392,592
Non-Current Assets:		
Restricted assets		
Cash and cash equivalents	4,176,701	-
Bond issuance costs, net of accumulated amortization of \$78,972	387,267	-
Capital assets	115,806,439	355,687
Less: accumulated depreciation	(45,463,932)	(113,689)
Total non-current assets	74,906,475	241,998
Total assets	\$ 86,375,569	\$ 634,590
Liabilities		
Current Liabilities:		
Accounts payable and accrued salaries and benefits	\$ 1,070,583	\$ 33,808
Accrued interest	355,481	-
Current portion of compensated absences payable	37,041	-
Current bond underwriter premiums	171,125	-
Current portion of long-term obligations	3,100,000	3,120
Total current liabilities	4,734,230	36,928
Long-term liabilities:		
Non-current portion of compensated absences payable	148,161	-
Non-current portion of bond underwriter premiums (net of accumulated amortization of \$78,655)	2,337,021	-
Non-current portion of long-term obligations	41,925,000	260
Total long-term liabilities	44,410,182	260
Total liabilities	49,144,412	37,188
Net assets		
Investment in capital assets, net of related debt	26,973,809	238,868
Restricted for :		
Special revenue	708,822	15,721
Debt service	3,972,038	-
Capital projects	3,095,140	-
Unrestricted	2,481,348	342,813
Total net assets	\$ 37,231,157	\$ 597,402

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Activities
For the Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>	<u>Component Unit</u>
<u>Primary Government</u>					<u>Primary Government</u>	
Governmental activities:					Governmental Activities	Charter School
Instruction	\$ 18,366,733	\$ 174,723	\$ 1,316,002	\$ 90,674	(16,785,334)	\$ -
Support services - students	2,040,036	-	201,436	-	(1,838,600)	-
Support services - instruction	398,978	-	6,251	-	(392,727)	-
Support services - general administration	476,199	-	60,421	-	(415,778)	-
Support services - school administration	1,881,270	-	320,076	-	(1,561,194)	-
Central services	775,018	-	300,721	-	(474,297)	-
Operations and maintenance of plant	3,199,267	-	-	-	(3,199,267)	-
Student transportation	1,615,740	-	1,279,026	-	(336,714)	-
Other support services	25,594	-	-	-	(25,594)	-
Food services	1,296,076	381,892	975,765	-	61,581	-
Interest on long-term obligations	1,143,493	-	-	-	(1,143,493)	-
	<u>31,218,404</u>	<u>556,615</u>	<u>4,459,698</u>	<u>90,674</u>	<u>(26,111,417)</u>	
Total Governmental Activities	\$	\$	\$	\$		
Component Unit Activities:						
Charter school	\$ 1,413,253	\$ 4,323	\$ 105,902	\$ 122,235		(1,180,793)
	<u>1,413,253</u>	<u>4,323</u>	<u>105,902</u>	<u>122,235</u>		
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					50,447	-
Property taxes, levied for debt service					1,655,428	-
Property taxes, levied for capital projects					781,468	-
Oil and gas taxes					3,494,628	-
State equalization guarantee					20,267,718	1,073,724
Interest and investment income					39,349	-
Miscellaneous income					134,980	50,186
Other financing sources					10,171	-
Loss on disposal of capital assets					(193,140)	-
					<u>26,241,049</u>	<u>1,123,910</u>
Total general revenues					26,241,049	1,123,910
Change in net assets					129,632	(56,883)
Net assets - beginning of year					37,101,525	654,285
Net assets - end of year					<u>\$ 37,231,157</u>	<u>\$ 597,402</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Balance Sheet - Governmental Funds
As of June 30, 2012

	<u>General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Instructional Material Adoption Support</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS								
Cash	\$ 2,452,698	\$ -	\$ -	\$ 1,772,748	\$ 5,316,151	\$ 4,176,701	\$ 647,482	\$ 14,365,780
Taxes receivable	28,675	-	-	-	127,728	300,803	-	457,206
Due from grantor	-	282,680	206,064	-	-	-	250,164	738,908
Due from other funds	685,760	-	-	-	-	-	-	685,760
Other receivable	65,281	-	-	-	-	-	-	65,281
Inventory	-	-	-	-	-	-	18,620	18,620
Total assets	<u>\$ 3,232,414</u>	<u>\$ 282,680</u>	<u>\$ 206,064</u>	<u>\$ 1,772,748</u>	<u>\$ 5,443,879</u>	<u>\$ 4,477,504</u>	<u>\$ 916,266</u>	<u>\$ 16,331,555</u>
LIABILITIES AND FUND BALANCE								
Accounts payable	\$ 29,120	\$ -	\$ -	\$ 116,446	\$ 196,003	\$ -	\$ 14,598	\$ 356,167
Accrued salaries and benefits	658,456	35,557	-	-	-	-	20,403	714,416
Due to other funds	-	247,123	206,064	-	-	-	232,573	685,760
Deferred revenues	8,697	-	-	-	29,043	96,180	-	133,920
Total liabilities	<u>696,273</u>	<u>282,680</u>	<u>206,064</u>	<u>116,446</u>	<u>225,046</u>	<u>96,180</u>	<u>267,574</u>	<u>1,890,263</u>
Nonspendable								
Inventory	-	-	-	-	-	-	18,620	18,620
Spendable								
Restricted for:								
Education	-	-	-	-	-	-	89,919	89,919
Food service operations	-	-	-	-	-	-	232,504	232,504
Capital acquisitions and improvements	-	-	-	1,656,302	5,218,833	-	-	6,875,135
Debt Services	-	-	-	-	-	4,381,324	-	4,381,324
Committed for:								
Emergency Reserves	150,000	-	-	-	-	-	-	150,000
Subsequent years expenditures	1,123,294	-	-	-	-	-	-	1,123,294
Unassigned	1,262,847	-	-	-	-	-	307,649	1,570,496
Total fund balance	<u>2,536,141</u>	<u>-</u>	<u>-</u>	<u>1,656,302</u>	<u>5,218,833</u>	<u>4,381,324</u>	<u>648,692</u>	<u>14,441,292</u>
Total liabilities and fund balance	<u>\$ 3,232,414</u>	<u>\$ 282,680</u>	<u>\$ 206,064</u>	<u>\$ 1,772,748</u>	<u>\$ 5,443,879</u>	<u>\$ 4,477,504</u>	<u>\$ 916,266</u>	<u>\$ 16,331,555</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
As of June 30, 2012

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

Total fund balances - governmental funds	\$	14,441,292
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is		115,806,439
Accumulated depreciation is		<u>(45,463,932)</u>
		70,342,507
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.		
Delinquent Property Taxes		133,920
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the governmental funds.		
Bond issuance costs net of accumulated amortization		387,267
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:		
Bonds payable		(45,025,000)
Compensated absences		(185,202)
Deferred gain on bond refunding, net of amortization		(2,508,146)
Accrued interest payable		<u>(355,481)</u>
Total net assets - governmental activities	\$	<u><u>37,231,157</u></u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Instructional Material Adoption Support</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Government Totals</u>	<u>Total</u>
Revenues:								
Federal grants	\$ -	807,564	-	-	-	-	1,843,670	2,651,234
State grants	21,692,756	-	206,064	-	90,674	-	116,617	22,106,111
Local sources:								
Taxes	296,834	-	-	-	1,717,960	3,996,992	-	6,011,786
Local grants	-	-	-	-	-	-	60,745	60,745
Charges for services	75,593	-	-	-	-	-	481,022	556,615
Investment income	26,271	-	-	6,763	1,894	2,386	2,035	39,349
Miscellaneous	134,895	-	-	-	-	-	85	134,980
Total revenues	<u>22,226,349</u>	<u>807,564</u>	<u>206,064</u>	<u>6,763</u>	<u>1,810,528</u>	<u>3,999,378</u>	<u>2,504,174</u>	<u>31,560,820</u>
Expenditures:								
Current:								
Instruction	12,666,675	408,148	-	-	-	-	853,567	13,928,390
Support services - students	1,850,480	99,704	-	-	-	-	92,152	2,042,336
Support services - instruction	362,912	-	-	-	-	-	26,121	389,033
Support services - general administrator	300,809	26,444	-	-	7,211	-	18,583	353,047
Support services - school administration	1,569,216	151,534	-	-	-	-	151,294	1,872,044
Central services	466,859	94,524	206,064	-	-	-	1,150	768,597
Operations and maintenance of plant	2,699,735	-	-	-	-	-	-	2,699,735
Student transportation	1,348,914	26,073	-	-	-	-	-	1,374,987
Other support services	25,594	-	-	-	-	-	-	25,594
Food services	-	-	-	-	-	-	1,281,006	1,281,006
Debt service:								
Non-operating	-	-	-	-	-	16,284	-	16,284
Debt principal	-	-	-	-	-	2,300,000	-	2,300,000
Debt interest	-	-	-	-	-	1,166,254	-	1,166,254
Capital outlay	-	-	-	7,633,822	2,253,143	-	-	9,886,965
Total Expenditures	<u>21,291,194</u>	<u>806,427</u>	<u>206,064</u>	<u>7,633,822</u>	<u>2,260,354</u>	<u>3,482,538</u>	<u>2,423,873</u>	<u>38,104,272</u>
Revenues over (under) expenditures	<u>935,155</u>	<u>1,137</u>	<u>-</u>	<u>(7,627,059)</u>	<u>(449,826)</u>	<u>516,840</u>	<u>80,301</u>	<u>(6,543,452)</u>
Other financing sources (Uses):								
Operating transfers in	72,672	89,117	-	-	-	-	252,664	414,453
Operating transfers out	(414,357)	-	-	-	-	-	(96)	(414,453)
Refund to grantor	-	-	-	-	-	-	(2,450)	(2,450)
Reauthorization of elapsed awards	-	-	-	-	-	-	12,621	12,621
Net other financing sources (uses)	<u>(341,685)</u>	<u>89,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,739</u>	<u>10,171</u>
Net Change in fund balance	593,470	90,254	-	(7,627,059)	(449,826)	516,840	343,040	(6,533,281)
Fund balance - beginning of year	1,942,671	(90,254)	-	9,283,361	5,668,659	3,864,484	305,652	20,974,573
Fund balance - end of year	<u>\$ 2,536,141</u>	<u>-</u>	<u>-</u>	<u>1,656,302</u>	<u>5,218,833</u>	<u>4,381,324</u>	<u>648,692</u>	<u>14,441,292</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds \$ (6,533,281)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeds depreciation for the year.

Depreciation expense	(3,025,621)	
Loss on disposal of capital assets	(193,140)	
Capital outlays	<u>7,637,575</u>	
Excess of capital outlays over depreciation expense		4,418,814

In the Statement of Activities, certain operating expenses - compensated absences and interest expense - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	11,932	
Accrued interest payable	<u>22,761</u>	34,693

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

Bond principal payments		2,300,000
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Bonds are refunded when a financial advantage would result to the District. The resulting savings is capitalized as a deferred gain and is amortized over the life of the new bonds. This amortization will be recorded in the Statement of Activities.

Amortization of Bond Issuance Costs	44,284	
Amortization of deferred gain on refunding activity	<u>(105,063)</u>	(60,779)

Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property taxes		(29,815)
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Change in net assets of governmental activities		\$ <u><u>129,632</u></u>
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STATE OF NEW MEXICO

Aztec Municipal Schools

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable
				(Unfavorable)
				Final to Actual
Revenues:				
Federal Sources:				
Impact Aid	\$ -	-	-	-
Indirect Costs - Federal Direct Grants	600	600	1,139	539
Indirect Costs - Federal Flowthrough Grants	6,000	6,000	29,439	23,439
Access Board (E-rate)	-	-	-	-
Total Federal Sources	<u>6,600</u>	<u>6,600</u>	<u>30,578</u>	<u>23,978</u>
State Sources:				
State Equalization Guarantee	19,937,478	20,303,340	20,267,718	(35,622)
Charter School Administration Revenue	20,000	20,000	21,913	1,913
Instructional Materials - Adopted 50%	60,377	60,377	68,756	8,379
Instructional Materials - Other 50%	60,378	60,378	68,756	8,378
Transportation Distribution	1,169,550	1,243,463	1,243,463	-
Transportation Distribution - Supplemental	-	9,453	9,453	-
Indirect Costs - State Flowthrough Grants	1,035	1,035	-	(1,035)
Fees - Governmental Revenues	43,000	43,000	34,610	(8,390)
Total State Sources	<u>21,291,818</u>	<u>21,741,046</u>	<u>21,714,669</u>	<u>(26,377)</u>
Local Sources:				
Ad Valorem Taxes - School District	133,513	133,513	136,456	2,943
Oil and Gas Taxes	228,381	228,381	246,599	18,218
Investment Income	15,000	15,000	26,271	11,271
Fees - Activities	-	-	-	-
Fees - Educational	18,000	18,000	17,248	(752)
Fees - Users	8,000	8,000	4,924	(3,076)
Fees - Summer School	-	-	-	-
Royalties	500	500	549	49
Rentals	450	450	281	(169)
Contributions from Private Sources	-	-	100	100
Insurance Recoveries	-	-	9,623	9,623
Refunds of Prior Year's Expenditures	-	-	59,991	59,991
Sale of District Assets	-	-	-	-
Total Local Sources	<u>403,844</u>	<u>403,844</u>	<u>502,042</u>	<u>98,198</u>
Total Revenues	<u>21,702,262</u>	<u>22,151,490</u>	<u>22,247,289</u>	<u>95,799</u>
Expenditures:				
Education, Current:				
Instruction	14,136,514	14,407,526	12,750,994	1,656,532
Support Services - Students	1,935,048	1,933,428	1,854,617	78,811
Support Services - Instruction	392,400	437,400	362,912	74,488
Support Services - General Administration	401,062	413,426	299,627	113,799
Support Services - School Administration	1,559,332	1,580,138	1,569,216	10,922
Support Services - Central Services	474,280	492,580	467,949	24,631
Operations and Maintenance of Plant	3,003,107	2,972,107	2,724,305	247,802
Student Transportation	1,245,337	1,360,049	1,350,363	9,686
Other Support Services	195,671	195,671	19,648	176,023
Food Services	-	-	-	-
Community Services	-	-	-	-
Education, Non-Current:	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>23,342,751</u>	<u>23,792,325</u>	<u>21,399,631</u>	<u>2,392,694</u>
Revenues Over (Under) Expenditures	\$ <u>(1,640,489)</u>	<u>(1,640,835)</u>	<u>847,658</u>	<u>2,488,493</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>1,640,489</u>	<u>1,640,835</u>		
Operating Transfers and Adjustments			(341,685)	
Net change in fund balances (Budget Basis)			<u>505,973</u>	
Fund Balances - beginning of year (adjusted)			<u>1,974,029</u>	
Fund Balances - end of year			<u>2,480,002</u>	
Reconciliation from Budgetary to GAAP Budgetary Basis				
<i>Net change in fund balance (Budget Basis)</i>			<u>505,973</u>	
<i>Accrued Revenues</i>			<u>(20,940)</u>	
<i>Accrued Expenditures</i>			<u>108,437</u>	
Net change in fund balances (GAAP Budgetary Basis)			<u>593,470</u>	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24106 - Entitlement IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	739,220	1,220,584	704,904	(515,680)
Total Revenues	<u>739,220</u>	<u>1,220,584</u>	<u>704,904</u>	<u>(515,680)</u>
Expenditures:				
Education, Current:				
Instruction	469,937	625,174	408,148	217,026
Support Services - Students	82,621	106,325	99,704	6,621
Support Services - General Administration	76,709	76,709	26,444	50,265
Support Services - School Administration	28,133	287,017	151,534	135,483
Central Services	61,355	98,394	95,661	2,733
Student Transportation	20,465	26,965	26,073	892
Community Services	-	-	-	-
Total Expenditures	<u>739,220</u>	<u>1,220,584</u>	<u>807,564</u>	<u>413,020</u>
Revenues Over (Under) Expenditures	\$ -	-	<u>(102,660)</u>	<u>(102,660)</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			89,117	
Net change in fund balances (Budget Basis)			(13,543)	
Fund Balances - beginning of year (adjusted)			(269,137)	
Fund Balances - end of year			<u>(282,680)</u>	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(13,543)	
Accrued Revenues			102,660	
Accrued Expenditures			1,137	
Net change in fund balances (GAAP Budgetary Basis)			<u>90,254</u>	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27113 - 2012 NM Instructional Material Review - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	270,000	-	(270,000)
Total Revenues	-	270,000	-	(270,000)
 Expenditures:				
Education, Current:				
Central Services	-	270,000	206,064	63,936
Revenues Over (Under) Expenditures	\$ -	-	(206,064)	(206,064)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(206,064)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(206,064)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(206,064)	
<i>Accrued Revenues</i>			206,064	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Fiduciary Assets and Liabilities - Agency Funds
As of June 30, 2012

Assets

Cash and Investments	\$ <u>390,671</u>
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Liabilities

Deposits Held for Others	\$ <u>390,671</u>
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STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

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 District 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, 2012

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, 2012

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.

Entitlement IDEA-B Special Revenue Fund is used to account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 94-142, 98-199, 99-457, 100, 639, and 101-476, 20 U.S.C. 1411-1420.

Instructional Materials Adoption Support Special Revenue Fund is used to account for activities supporting the annual review of instructional material submitted to the New Mexico Public Education Department for acceptance for use in the public schools in New Mexico.

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.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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, 2012, the District does not have any investments.

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 2012 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2012. 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's 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.

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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 employees' 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.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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, 2012, the non-spendable fund balance in the food service fund is made up of inventory in the amount of \$18,620 that is not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2012, the restricted fund balance on the governmental funds balance sheet is made up of \$89,919 for providing education to the students of the District, \$6,875,135 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, \$4,381,324 for the payment of principal and interest of the future debt service requirements, and \$232,504 for food service operations administered within the District. \$1,123,294 has been committed for Fiscal 2012-2013 budget requirements.

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 \$150,000.

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

- *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.
- *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

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

net assets restricted for “special revenue, debt service, and capital projects” are described on pages 27 and 49-52.

- *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 ensure 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 \$20,267,718 in state equalization guarantee distributions during the year ended June 30, 2012.

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 \$2,457,528 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2012. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

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 \$1,252,916 in transportation distributions during the year ended June 30, 2012.

Instructional Materials: The Public Education 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 \$137,512 in instructional materials revenue from the State for the year ended June 30, 2012.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

E. *Revenues* (continued)

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

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 \$90,674 in SB-9 matching revenue during the year ended June 30, 2012.

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, 2012, 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 Program 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.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

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.

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 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 these notes.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 3. Deposits and Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the District properly followed state investment requirements as of June 30, 2012.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. 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, 2012 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

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, 2012, \$13,602,673 of the District's bank balance of \$15,219,564 was subject to custodial credit risk. \$9,141,184 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$4,461,489 of the District's deposits was uninsured and uncollateralized at June 30, 2012.

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, 2012

NOTE 3. Deposits and Investments (continued)

	<u>Wells Fargo</u>	<u>Citizens</u>	<u>Total</u>
Amount of deposits	\$ 1,366,891	\$ 13,852,673	\$ 15,219,564
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	(866,891)		(866,891)
FDIC Coverage	(500,000)	(250,000)	(750,000)
Total uninsured public funds	-	13,602,673	13,602,673
Collateralized by securities held by pledging institutions or by trust department or agent in other than the District's name.	-	9,141,184	9,141,184
Uninsured and uncollateralized	-	4,461,489	4,461,489
Collateralization Requirement (50% of uninsured funds)	-	6,801,337	6,801,337
Pledged Collateral	-	9,141,184	9,141,184
Over (Under) the Requirement	\$ -	\$ 2,339,847	\$ 2,339,847

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	\$ 14,365,780
Fiduciary Fund	390,671
Total cash	14,756,451
Add: outstanding checks and other reconciling items	463,113
Cash Balance per Bank	\$ 15,219,564

The District utilizes pooled accounts for some of their program 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, 2012. 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, 2012.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
24101	Title I IASA	\$ 114,667
24106	Entitlement - IDEA-B	247,123
24109	Pre-School - IDEA-B	13,919
24154	Title II-A Teacher/Principal Training & Recruiting	31,763
25131	Johnson O'Malley	7,031
25184	Indian Education Formula Grant	12,638
25200	NM Youth Conservation Corp	45,899
27103	Dual Credit Instructional Materials	5,294
27106	2010 G.O. Bond Library	1,362
27113	2012 NM Instructional Material Review	206,064
	Total	\$ 685,760

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 3. Deposits and Investments (continued)

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, 2012, \$137,408 of the Charter School’s bank balance of \$387,408 was subject to custodial credit risk. \$137,408 of these funds were fully collateralized by collateral held by the pledging bank’s trust department, not in the Charter School’s name.

The collateral pledged is listed on the schedule of deposits 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, Charter School or political subdivision of the State of New Mexico

	Citizens
Amount of deposits	\$387,408
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	
FDIC Coverage	(250,000)
Total uninsured public funds	137,408
Collateralized by securities held by pledging institutions or by trust department or agent in other than the Charter School's name.	137,408
Uninsured and uncollateralized	-
50% Collateralization Required (50% of uninsured funds)	68,704
Pledged Collateral	184,304
Pledged Collateral (Under) the Requirement	\$115,600

Reconciliation to the Statements of Net Assets

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

Cash and cash equivalents	\$ 352,385
Fiduciary Fund	6,700
Total cash	359,085
Add: outstanding checks and other reconciling items	28,323
Cash Balance per Bank	\$ 387,408

STATE OF NEW MEXICO
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Notes to the Financial Statements
June 30, 2012

NOTE 4. Accounts Receivable

Primary Government:

Accounts receivable as of June 30, 2012, are as follows:

	General	IDEA- B Entitlement	Instructional Material Adoption	Bond Building
Property Taxes	\$ 10,392	\$ -	\$ -	\$ -
Oil and Gas Taxes	18,283	-	-	-
Due from grantors				
Federal sources	-	282,680	-	-
State sources	-	-	206,064	-
Other Receivable	65,281	-	-	-
Total	\$ 93,956	\$ 282,680	\$ 206,064	\$ -

	Capital Improvements SB-9	Debt Service	Other Government	Total
Property Taxes	\$ 54,597	\$ 134,411	\$ -	\$ 199,400
Oil and Gas Taxes	73,131	166,392	-	257,806
Due from grantors				
Federal sources	-	-	243,508	526,188
State sources	-	-	6,656	212,720
Other Receivable	-	-	-	65,281
Total	\$ 127,728	\$ 300,803	\$ 250,164	\$ 1,261,395

The above receivables are deemed 100% collectible.

In accordance with GASB No. 33, property tax revenues in the amount of \$133,920 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, 2012, are as follows:

	Total Component Unit
Due from Grantors	
Federal Sources	\$ 33,044
State Sources	7,163
	<u>\$ 40,207</u>

The above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 5. Interfund Receivables, Payables, and Transfers

The District recorded the following permanent cash transfers from the Operating Fund to cover negative fund balances in funds where funds are not expected to be received.

<u>Operating Transfer To Fund</u>	<u>Amount</u>
Fund 13000 Transportation	\$ 72,576
Fund 24101 Title I – IASA	136,767
Fund 24106 Entitlement IDEA B	89,117
Fund 24109 Preschool IDEA B	13,597
Fund 24154 Title II A – Teacher/Principal Training & Recruiting	48,243
Fund 24157 Title IV-A Safe & Drug Free Schools	3,118
Fund 24162 Title I – Program Improvement	3,182
Fund 25131 Johnson O’Malley	5,953
Fund 26125 Wallace Foundation	4,527
Fund 27141 Truancy Prevention PED	33,452
Fund 27163 Schools in Need of Improvement	<u>3,825</u>
Total Transfer from Operating Fund	<u>\$ 414,357</u>

The District recorded the following transfers to the Operating Fund to close out elapsed grants.

<u>Transfer From Fund</u>	<u>Amount</u>
Fund 24137 Classroom Reduction	\$ 47
Fund 27152 Reading Improvement Initiatives	49
Total	<u>\$ 96</u>

The District records temporary inter-fund receivables and payables to enable the funds to operate until grant monies are received.

The amounts owed to the Operating Fund at June 30, 2012 are as follows:

<u>Due From Fund</u>	<u>Amount</u>
Fund 24101 - Title I - IASA	\$ 114,667
Fund 24106 – Entitlement IDEA B	247,123
Fund 24109 – Preschool IDEA B	13,919
Fund 24154 - Title II –A – Teacher/ Principal Training & Recruiting	31,763
Fund 25131 - Johnson O’Malley	7,031
Fund 25184 - Indian Education Formula	12,638
Fund 25200 – NM Youth Conservation	45,899
Fund 27103 - Dual Credit Instruction Materials	5,294
Fund 27106 – 2010 GO BOND	1,362
Fund 27113 - Instructional Material Adoption Support	<u>206,064</u>
Total Loans	<u>\$ 685,760</u>

These interfund balances are expected to be repaid within one year.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2012, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Capital Assets Class	Adjusted Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 5,895,514	210,177	-	\$ 6,105,691
Construction-in-Progress	4,089,527	235,370	4,089,527	235,370
Total capital assets not being depreciated	<u>9,985,041</u>	<u>445,547</u>	<u>4,089,527</u>	<u>6,341,061</u>
Subject to Depreciation:				
Land Improvements	47,549	361,831	-	409,380
Buildings and Improvements	91,896,814	10,870,597	1,932,573	100,834,838
Furniture, fixtures and equipment	7,845,158	400,180	24,178	8,221,160
Total capital assets being depreciated	<u>99,789,521</u>	<u>11,632,608</u>	<u>1,956,751</u>	<u>109,465,378</u>
Less Accumulated Depreciation:				
Land Improvements	15,434	13,270	-	28,704
Buildings and Improvements	38,782,634	2,484,105	1,386,677	39,880,062
Equipment and Vehicles	5,052,801	528,246	25,881	5,555,166
Total Depreciation	<u>43,850,869</u>	<u>3,025,621</u>	<u>1,412,558</u>	<u>45,463,932</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,923,693</u>	<u>\$ 9,052,534</u>	<u>\$4,633,720</u>	<u>\$ 70,342,507</u>

Depreciation expense charged for the year ended June 30, 2012 by function:

Governmental Activities	
Instruction	\$ 2,689,301
Support Services	11,276
General Admin	10,619
Operation and Maintenance of Plant	61,632
Student Transportation	237,723
Food Service	15,070
Total Depreciation Expense	<u>\$ 3,025,621</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 6. Capital Assets (continued)

Capital Assets Class	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012
Component Unit				
Subject to Depreciation:				
Buildings and Improvements	\$ 291,423	\$ 6,043	\$ -	\$ 297,466
Furniture, fixtures and equipment	58,221	-	-	58,221
Total capital assets being depreciated	<u>349,644</u>	<u>6,043</u>	<u>-</u>	<u>355,687</u>
Less Accumulated Depreciation:				
Buildings and Improvements	50,881	14,098	-	64,979
Equipment and Vehicles	34,505	14,205	-	48,710
Total Accumulated Depreciation	<u>85,386</u>	<u>28,303</u>	<u>-</u>	<u>113,689</u>
Total capital assets, net of depreciation	\$ <u>264,258</u>	\$ <u>(22,260)</u>	\$ <u>-</u>	\$ <u>241,998</u>
Depreciation expense charged for the year ended June 30, 2012 by function:				
Instruction				\$ 4,521
Support Services - General Administration				1,560
Support Services - School Administration				8,374
Central Services				167
Operations and Maintenance of Plant				<u>13,681</u>
Total Depreciation Expense				<u>\$ 28,303</u>

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 outstanding general obligation bonds from prior years is \$47,450,000. 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, 2012 are for governmental activities.

Bonds outstanding at June 30, 2012, are comprised of the following:

	2008		2010A		2010B
Original Issue	\$ 13,225,000	\$	12,200,000	\$	22,025,000
Maturity Date	10/1/2020		8/1/2027		10/1/2020
Principal	\$ 12,300,000	\$	12,200,000	\$	20,525,000
Interest Rate	3.00% to 4.00%		5.69%		3.00% to 5.00%

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

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, 2012

	Balance at July 1, 2011	Additions	Retirements	Balance at June 30, 2012	Due Within One Year
General Obligation Bonds Payable	\$ 47,325,000	-	\$ 2,300,000	\$ 45,025,000	\$ 3,100,000
Compensated Absences	197,134	111,005	122,937	185,202	37,041
	<u>\$ 47,522,134</u>	<u>\$ 111,005</u>	<u>\$ 2,422,937</u>	<u>\$ 45,210,202</u>	<u>\$ 3,137,041</u>

Annual Amortization of General Obligation Bonds - The annual requirements to amortize the General Obligation Bonds as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	4,025,000	727,077	4,752,077
2018-2022	19,600,000	1,550,760	21,150,760
2023-2027	5,000,000	314,760	5,314,760
2028	1,400,000	31,476	1,431,476
	<u>\$ 45,025,000</u>	<u>\$ 7,140,756</u>	<u>\$ 52,165,756</u>

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, 2012, compensated absences decreased \$11,932 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, 2012 is \$3,380. The payments due in the subsequent year total \$3,120 and have been classified as a current liability. The lease ends in July 2013.

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2012

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.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2012, there have been no claims that have exceeded insurance coverage.

NOTE 9. Deficit Fund Balances and Budget

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, 2012:

Primary Government:

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
13000	Transportation	(3,248)

Component Unit: None

B. Excess of expenditures over appropriations. No funds in in the Primary Government or the Component Unit exceeded approved budgetary authority for the year ended June 30, 2012.

C. Designated cash appropriations. The following funds in the Primary Government designated cash appropriations in excess of available balances for the year ended June 30, 2012.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
13000	Transportation - General	\$ 346
22000	Athletics – Special Revenue	35,139
31100	Bond Building – Capital Projects	<u>149,985</u>
		<u>\$ 185,470</u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2012

NOTE 10 Funds Omitted From Financial Statement Presentation

Primary Government

The funds below contain no year-end balances for balance sheet presentation; however, they had revenue, expenditure, or fund balance activity during the year. As such, the following funds presented on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances are not presented on the Combining Balance Sheet:

<u>Fund Title</u>	<u>Fund Title</u>
Fund 24107-Discretionary IDEA B	Fund 26125-Wallace Foundation Grant
Fund 24108-Competitive IDEA B	Fund 27105-2008 G.O. Bond Student Library
Fund 24112-Title VI - IASA	Fund 27138-Incentived for School Improvement
Fund 24119-Carl D. Perkins Tech Prep	Fund 27141-Truancy Prevention – PED
Fund 24137-Classroom Reduction Act	Fund 27152-Reading Improvement Initiatives
Fund 24157-Title IV-A Safe & Drug Free Schools & Communities	Fund 27154-Beginning Teacher Mentoring Program
Fund 24162-Title I School Improvement	Fund 27163-Schools in Need of Improvement
Fund 24206-IDEA B - Entitlement - ARRA	Fund 27549-Library Book
Fund 24209-IDEA B - Preschool - ARRA	Fund 28131-NM Arts
Fund 24213-Education of Homeless -ARRA	Fund 28151-Resources for School Health
Fund 25255-Education Jobs Fund - ARRA	Fund 28192 Lograr Institute - Graduate New Mexico
	Fund 31200-Public School Capital Outlay

The fund below contained revenue or expense activity for the year on a cash basis therefore a Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) is presented however there is no net activity on the GAAP basis therefore they are not presented on Combining Statement of Revenues, Expenditures, and Changes in Fund Balances and the Combining Balance Sheets.

<u>Fund Title</u>
Fund 24120-IDEA B “Risk Pool”

Component Unit

The funds below contain no year-end balances for balance sheet presentation; however, they had revenue, expenditure, or fund balance activity during the year. As such, the following funds presented on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances are not presented on the Combining Balance Sheet.

<u>Fund Title</u>	<u>Fund Title</u>
Fund 25250 - State Equalization- ARRA	Fund 27170-2006 GO Bond Student Library
Fund 25255-Education Jobs Bill -ARRA	Fund 31200-Public School Capital Outlay
Fund 27154-Beginning Teacher Mentoring	

The funds below contained revenue or expense activity for the year on a cash basis therefore a Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis) is presented however there is no net activity on the GAAP basis therefore they are not presented on Combining Statement of Revenues, Expenditures, and Changes in Fund Balances and the Combining Balance Sheets.

<u>Fund Title</u>
Fund 24206-IDEA- B Entitlement – ARRA
Fund 27106-2010 Library GO Bond

STATE OF NEW MEXICO
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 Notes to the Financial Statements
 June 30, 2012

NOTE 11 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, 2011 through June 30, 2012, plan members were required by statute to contribute in the amounts reflected in the table below.

Wage Category	Date Range	Member Rate	Employer Rate
20K or less	07/01/2011 - 06/30/2012	7.90%	12.40%
20K or more	07/01/2011 - 06/30/2012	11.15%	9.15%
20K or less	07/01/2012 - 06/30/2013	7.90%	12.40%
20K or more	07/01/2012 - 06/30/2013	9.40%	10.90%

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, 2012, 2011, and 2010 were \$1,363,500, \$1,672,737 and, \$1,759,907 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

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

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2012

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In fiscal year ending 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>
FY13	2.000%	1.000%

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

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District’s contributions to the RHCA for the years ended June 30, 2012, 2011, and 2010 were \$264,148, \$249,013, and \$206,312 respectively, which equal the required contribution for each year.

NOTE 13. 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 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 San Juan College and the District by the City of Aztec 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

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

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2012

NOTE 14. Joint Powers Agreements (continued)

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, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 1, 2012 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 standard is expected to have no effect on the District in upcoming years.

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 March 2012, Statement No. 65 *Items Previously Reported as Assets and Liabilities*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In March 2012, Statement No. 66 *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No.62*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In June 2012, Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statements No. 25*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENT FUNDS

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Fund Descriptions
June 30, 2012

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 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.

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 (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.

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.

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Fund Descriptions
June 30, 2012

Classroom 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.

Title II-A 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.

Title IV-A 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.

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

IDEA-B Preschool – ARRA (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 – ARRA (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.

NM Youth Conservation Corp. (25200) - To account for a program funded by the New Mexico Youth Conservation Corps supporting the education, success and well-being of the youth of New Mexico through the conservation and enhancement of the state's natural resources and lasting community benefits. Authority for the creation of this fund is the New Mexico Public Education Department.

Education Jobs Fund – ARRA (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.

BP Educational Grants (26150) - To account for funds received from the British Petroleum supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

Conoco Phillips Education Grants (26200) – To account for funds received from Conoco Phillips supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Fund Descriptions
June 30, 2012

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. Authority for the creation of this fund is the New Mexico Public Education Department.

2008 G.O. 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. Authority for the creation of this fund is the New Mexico Public Education Department.

2010 G.O. Bond Student Library Fund (27106) - 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. Authority for the creation of this fund is the New Mexico Public Education Department.

Technology for Education (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 (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 Prevention - 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. Authority for the creation of this fund is the New Mexico Public Education Department.

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.

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. Authority for the creation of this fund is the New Mexico Public Education Department.

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.

STATE OF NEW MEXICO

Aztec Municipal Schools

Non-Major Fund Descriptions

June 30, 2012

Lograr Institute – Graduate NM (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.

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2012

SPECIAL REVENUE

	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 24101</u>	<u>Fund 24109</u>	<u>Fund 24154</u>	<u>Fund 25131</u>
	<u>Food Services</u>	<u>Athletics</u>	<u>Title I ISEA</u>	<u>Preschool IDEA-B</u>	<u>Title II-A Teacher Training</u>	<u>Johnson O'Malley</u>
ASSETS						
Assets:						
Cash	\$ 232,504	\$ 137,544	\$ -	\$ -	\$ -	\$ -
Due from grantor	-	-	124,905	13,919	38,789	7,035
Inventory	<u>18,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 251,124</u>	<u>\$ 137,544</u>	<u>\$ 124,905</u>	<u>\$ 13,919</u>	<u>\$ 38,789</u>	<u>\$ 7,035</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 13,962	\$ 636	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	10,238	-	7,026	4
Due to other funds	<u>-</u>	<u>-</u>	<u>114,667</u>	<u>13,919</u>	<u>31,763</u>	<u>7,031</u>
Total liabilities	<u>13,962</u>	<u>636</u>	<u>124,905</u>	<u>13,919</u>	<u>38,789</u>	<u>7,035</u>
Fund balances						
Nonspendable						
Inventory	18,620	-	-	-	-	-
Spendable						
Restricted for:						
Education	-	-	-	-	-	-
Food service operations	232,504	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-
Committed for:						
Emergency Reserves	-	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-	-
Unassigned	<u>(13,962)</u>	<u>136,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>237,162</u>	<u>136,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 251,124</u>	<u>\$ 137,544</u>	<u>\$ 124,905</u>	<u>\$ 13,919</u>	<u>\$ 38,789</u>	<u>\$ 7,035</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2012

SPECIAL REVENUE

	<u>Fund 25184</u>	<u>Fund 25200</u>	<u>Fund 26150</u>	<u>Fund 26200</u>	<u>Fund 27103</u>
	<u>Indian Education Formula</u>	<u>NM Youth Conservation</u>	<u>BP Educational</u>	<u>Conoco Phillips</u>	<u>Dual Credit Instructional Materials</u>
ASSETS					
Assets:					
Cash	\$ -	\$ -	\$ 15,527	\$ 40,745	\$ -
Due from grantor	12,852	46,008	-	-	5,294
Inventory	-	-	-	-	-
Total assets	<u>\$ 12,852</u>	<u>\$ 46,008</u>	<u>\$ 15,527</u>	<u>\$ 40,745</u>	<u>\$ 5,294</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	214	109	-	-	-
Due to other funds	12,638	45,899	-	-	5,294
Total liabilities	<u>12,852</u>	<u>46,008</u>	<u>-</u>	<u>-</u>	<u>5,294</u>
Fund balances					
Nonspendable					
Inventory	-	-	-	-	-
Spendable					
Restricted for:					
Education	-	-	-	40,745	-
Food service operations	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-
Debt Services	-	-	-	-	-
Committed for:					
Emergency Reserves	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-
Unassigned	-	-	15,527	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>15,527</u>	<u>40,745</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 12,852</u>	<u>\$ 46,008</u>	<u>\$ 15,527</u>	<u>\$ 40,745</u>	<u>\$ 5,294</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2012

SPECIAL REVENUE

	<u>Fund 27106</u>	<u>Fund 27117</u>	<u>Fund 28144</u>	
	<u>2010 GO Bond Library</u>	<u>Technology For Education</u>	<u>Medicaid Support HSD</u>	<u>Totals</u>
ASSETS				
Assets:				
Cash	\$ -	\$ 49,449	\$ 171,713	\$ 647,482
Due from grantor	1,362	-	-	250,164
Inventory	-	-	-	18,620
Total assets	<u>\$ 1,362</u>	<u>\$ 49,449</u>	<u>\$ 171,713</u>	<u>\$ 916,266</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 14,598
Accrued salaries and benefits	-	275	2,537	20,403
Due to other funds	1,362	-	-	232,573
Total liabilities	<u>1,362</u>	<u>275</u>	<u>2,537</u>	<u>267,574</u>
Fund balances				
Nonspendable				
Inventory	-	-	-	18,620
Spendable				
Restricted for:				
Education	-	49,174	-	89,919
Food service operations	-	-	-	232,504
Capital acquisitions and improvements	-	-	-	-
Debt Services	-	-	-	-
Committed for:				
Emergency Reserves	-	-	-	-
Subsequent years expenditures	-	-	-	-
Unassigned	-	-	169,176	307,649
Total fund balance	<u>-</u>	<u>49,174</u>	<u>169,176</u>	<u>648,692</u>
Total liabilities and fund balance	<u>\$ 1,362</u>	<u>\$ 49,449</u>	<u>\$ 171,713</u>	<u>\$ 916,266</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

		SPECIAL REVENUE							
		Fund 21000	Fund 22000	Fund 24101	Fund 24107	Fund 24108	Fund 24109	Fund 24112	Fund 24119
		Food Services	Athletics	Title I ISEA	Discretionary IDEA-B	Competitive IDEA-B	Preschool IDEA-B	Title VI ESEA	Carl D. Perkins
Revenues:									
Federal grants	\$	975,765	-	411,803	-	-	31,308	-	-
State grants		-	-	-	-	-	-	-	-
Local sources:									
Taxes		-	-	-	-	-	-	-	-
Local grants		-	-	-	-	-	-	-	-
Charges for services		381,892	99,130	-	-	-	-	-	-
Investment income		1,546	284	205	-	-	-	-	-
Miscellaneous		85	-	-	-	-	-	-	-
Total revenues		1,359,288	99,414	412,008	-	-	31,308	-	-
Expenditures:									
Current:									
Instruction		-	131,521	328,808	-	-	26,777	-	-
Support services - students		-	-	-	-	-	3,765	-	-
Support services - instruction		-	-	-	-	-	-	-	-
Support services - general administration		-	-	9,026	-	-	650	-	-
Support services - school administration		-	-	74,125	-	-	116	-	-
Central services		-	-	-	-	-	-	-	-
Operations and maintenance of plant		-	-	-	-	-	-	-	-
Student transportation		-	-	-	-	-	-	-	-
Other support services		-	-	-	-	-	-	-	-
Food services		1,281,006	-	-	-	-	-	-	-
Community services		-	-	-	-	-	-	-	-
Capital outlay		-	-	-	-	-	-	-	-
Total Expenditures		1,281,006	131,521	411,959	-	-	31,308	-	-
Revenues over (under) expenditures		78,282	(32,107)	49	-	-	-	-	-
Other financing sources (Uses):									
Bond proceeds		-	-	-	-	-	-	-	-
Premium on bond refunding		-	-	-	-	-	-	-	-
Proceeds on bond refunding		-	-	-	-	-	-	-	-
Refinancing on bond refunding		-	-	-	-	-	-	-	-
Operating transfers in		-	-	136,767	-	-	13,597	-	-
Operating transfers out		-	-	-	-	-	-	-	-
Refund to grantor		-	-	-	(187)	(303)	-	(43)	(248)
Reauthorization of elapsed awards		-	-	-	-	303	-	43	248
Net other financing sources (uses)		-	-	136,767	(187)	-	13,597	-	-
Net Change in fund balance		78,282	(32,107)	136,816	(187)	-	13,597	-	-
Fund balance - beginning of year		158,880	169,015	(136,816)	187	-	(13,597)	-	-
Adjustments and residual equity transfers		-	-	-	-	-	-	-	-
Fund balance - beginning of year, as restated		158,880	169,015	(136,816)	187	-	(13,597)	-	-
Fund balance - end of year	\$	<u>237,162</u>	<u>\$ 136,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	SPECIAL REVENUE							
	Fund 24137	Fund 24154	Fund 24157	Fund 24162	Fund 24206	Fund 24209	Fund 24213	Fund 25131
	Classroom Reduction	Title II-A Teacher Training	Title IV-A Safe And Drug Free Schools	Title I School Improvement	IDEA-B Entitlement ARRA	IDEA-B Preschool - ARRA	Education of Homeless	Johnson O'Malley
Revenues:								
Federal grants	\$ -	\$ 126,595	\$ -	\$ 19,607	\$ 110,187	\$ 6,308	\$ 3,165	\$ 24,008
State grants	-	-	-	-	-	-	-	-
Local sources:								
Taxes	-	-	-	-	-	-	-	-
Local grants	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>126,595</u>	<u>-</u>	<u>19,607</u>	<u>110,187</u>	<u>6,308</u>	<u>3,165</u>	<u>24,008</u>
Expenditures:								
Current:								
Instruction	-	123,823	-	19,607	49,928	5,000	3,165	6,340
Support services - students	-	-	-	-	25,026	1,308	-	13,386
Support services - instruction	-	-	-	-	-	-	-	-
Support services - general administration	-	2,773	-	-	-	-	-	256
Support services - school administration	-	-	-	-	35,233	-	-	-
Central services	-	-	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>126,596</u>	<u>-</u>	<u>19,607</u>	<u>110,187</u>	<u>6,308</u>	<u>3,165</u>	<u>19,982</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,026</u>
Other financing sources (Uses):								
Bond proceeds	-	-	-	-	-	-	-	-
Premium on bond refunding	-	-	-	-	-	-	-	-
Proceeds on bond refunding	-	-	-	-	-	-	-	-
Refinancing on bond refunding	-	-	-	-	-	-	-	-
Operating transfers in	-	48,243	3,118	3,182	-	-	-	5,953
Operating transfers out	(47)	-	-	-	-	-	-	-
Refund to grantor	-	-	-	-	-	-	-	-
Reauthorization of elapsed awards	47	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>48,243</u>	<u>3,118</u>	<u>3,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,953</u>
Net Change in fund balance	-	48,242	3,118	3,182	-	-	-	9,979
Fund balance - beginning of year	<u>-</u>	<u>(48,242)</u>	<u>(3,118)</u>	<u>(3,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,979)</u>
Adjustments and residual equity transfers	-	-	-	-	-	-	-	-
Fund balance - beginning of year, as restated	<u>-</u>	<u>(48,242)</u>	<u>(3,118)</u>	<u>(3,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,979)</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	SPECIAL REVENUE						
	Fund 25184	Fund 25200	Fund 25255	Fund 26125	Fund 26150	Fund 26200	Fund 27103
	Indian Education Formula	NM Youth Conservation	Education Jobs Bill	Wallace Foundation	BP Educational	Conoco Phillips	Dual Credit Instructional Materials
Revenues:							
Federal grants	\$ 69,234	\$ 57,093	\$ 8,597	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-	8,642
Local sources:							
Taxes	-	-	-	-	-	-	-
Local grants	-	-	-	-	20,000	40,745	-
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>69,234</u>	<u>57,093</u>	<u>8,597</u>	<u>-</u>	<u>20,000</u>	<u>40,745</u>	<u>8,642</u>
Expenditures:							
Current:							
Instruction	50,572	57,093	8,597	-	-	-	8,642
Support services - students	20,294	-	-	-	-	-	-
Support services - instruction	-	-	-	-	-	-	-
Support services - general administration	1,405	-	-	-	4,473	-	-
Support services - school administration	10,020	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	<u>82,291</u>	<u>57,093</u>	<u>8,597</u>	<u>-</u>	<u>4,473</u>	<u>-</u>	<u>8,642</u>
Revenues over (under) expenditures	<u>(13,057)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,527</u>	<u>40,745</u>	<u>-</u>
Other financing sources (Uses):							
Bond proceeds	-	-	-	-	-	-	-
Premium on bond refunding	-	-	-	-	-	-	-
Proceeds on bond refunding	-	-	-	-	-	-	-
Refinancing on bond refunding	-	-	-	-	-	-	-
Operating transfers in	-	-	-	4,527	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Refund to grantor	-	-	-	-	-	-	-
Reauthorization of elapsed awards	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,527</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	(13,057)	-	-	4,527	15,527	40,745	-
Fund balance - beginning of year	<u>13,057</u>	<u>-</u>	<u>-</u>	<u>(4,527)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjustments and residual equity transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year, as restated	<u>13,057</u>	<u>-</u>	<u>-</u>	<u>(4,527)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,527</u>	<u>\$ 40,745</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	SPECIAL REVENUE						
	Fund 27105	Fund 27106	Fund 27117	Fund 27138	Fund 27141	Fund 27152	Fund 27154
	2008 GO Bond Library	2010 GO Bond Library	Technology For Education	Incentives For School Improvement	Truancy Prevention PED	Reading Improvement Initiatives	Beginning Teacher Mentoring
Revenues:							
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	2,689	3,562	-	-	-	-	-
Local sources:							
Taxes	-	-	-	-	-	-	-
Local grants	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>2,689</u>	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:							
Current:							
Instruction	-	-	16,800	-	-	-	2,589
Support services - students	-	-	-	6,645	-	-	-
Support services - instruction	2,689	3,562	17,965	1,905	-	-	-
Support services - general administration	-	-	-	-	-	-	-
Support services - school administration	-	-	-	-	-	-	-
Central services	-	-	1,150	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	<u>2,689</u>	<u>3,562</u>	<u>35,915</u>	<u>8,550</u>	<u>-</u>	<u>-</u>	<u>2,589</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(35,915)</u>	<u>(8,550)</u>	<u>-</u>	<u>-</u>	<u>(2,589)</u>
Other financing sources (Uses):							
Bond proceeds	-	-	-	-	-	-	-
Premium on bond refunding	-	-	-	-	-	-	-
Proceeds on bond refunding	-	-	-	-	-	-	-
Refinancing on bond refunding	-	-	-	-	-	-	-
Operating transfers in	-	-	-	-	33,452	-	-
Operating transfers out	-	-	-	-	-	(49)	-
Refund to grantor	-	-	-	-	-	-	-
Reauthorization of elapsed awards	-	-	-	8,550	-	49	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,550</u>	<u>33,452</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	-	-	(35,915)	-	33,452	-	(2,589)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>85,089</u>	<u>-</u>	<u>(33,452)</u>	<u>-</u>	<u>2,589</u>
Adjustments and residual equity transfers	-	-	-	-	-	-	-
Fund balance - beginning of year, as restated	<u>-</u>	<u>-</u>	<u>85,089</u>	<u>-</u>	<u>(33,452)</u>	<u>-</u>	<u>2,589</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	SPECIAL REVENUE						CAPITAL	TOTAL
	Fund 27163	Fund 27549	Fund 28131	Fund 28144	Fund 28151	Fund 28192	Fund 31200	
	Schools In Need of Improvement	Library Books	NM Arts	Medicaid Support HSD	Resources For School Health	Lograr Institute Graduate NM	Public School Capital Outlay	
Revenues:								
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,843,670
State grants	-	-	-	101,724	-	-	-	116,617
Local sources:								
Taxes	-	-	-	-	-	-	-	-
Local grants	-	-	-	-	-	-	-	60,745
Charges for services	-	-	-	-	-	-	-	481,022
Investment income	-	-	-	-	-	-	-	2,035
Miscellaneous	-	-	-	-	-	-	-	85
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,504,174</u>
Expenditures:								
Current:								
Instruction	-	-	156	7,353	-	6,796	-	853,567
Support services - students	-	-	-	21,728	-	-	-	92,152
Support services - instruction	-	-	-	-	-	-	-	26,121
Support services - general administration	-	-	-	-	-	-	-	18,583
Support services - school administration	-	-	-	28,575	3,225	-	-	151,294
Central services	-	-	-	-	-	-	-	1,150
Operations and maintenance of plant	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	1,281,006
Community services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>156</u>	<u>57,656</u>	<u>3,225</u>	<u>6,796</u>	<u>-</u>	<u>2,423,873</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(156)</u>	<u>44,068</u>	<u>(3,225)</u>	<u>(6,796)</u>	<u>-</u>	<u>80,301</u>
Other financing sources (Uses):								
Bond proceeds	-	-	-	-	-	-	-	-
Premium on bond refunding	-	-	-	-	-	-	-	-
Proceeds on bond refunding	-	-	-	-	-	-	-	-
Refinancing on bond refunding	-	-	-	-	-	-	-	-
Operating transfers in	3,825	-	-	-	-	-	-	252,664
Operating transfers out	-	-	-	-	-	-	-	(96)
Refund to grantor	-	(1,615)	-	-	-	-	(54)	(2,450)
Reauthorization of elapsed awards	-	-	156	-	3,225	-	-	12,621
Net other financing sources (uses)	<u>3,825</u>	<u>(1,615)</u>	<u>156</u>	<u>-</u>	<u>3,225</u>	<u>-</u>	<u>(54)</u>	<u>262,739</u>
Net Change in fund balance	3,825	(1,615)	-	44,068	-	(6,796)	(54)	343,040
Fund balance - beginning of year	<u>(3,825)</u>	<u>1,615</u>	<u>-</u>	<u>125,108</u>	<u>-</u>	<u>6,796</u>	<u>54</u>	<u>305,652</u>
Adjustments and residual equity transfers	-	-	-	-	-	-	-	-
Fund balance - beginning of year, as restated	<u>(3,825)</u>	<u>1,615</u>	<u>-</u>	<u>125,108</u>	<u>-</u>	<u>6,796</u>	<u>54</u>	<u>305,652</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 648,692</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 21000 - Food Services - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Direct Federal Grants	\$ 598,846	598,846	871,569	272,723
Donated Commodities	-	-	-	-
	598,846	598,846	871,569	272,723
Local Sources:				
Prior Year Voided Checks	-	-	85	85
Investment Income	-	-	1,546	1,546
Fees - Adults	15,000	15,000	38,792	23,792
Fees - Students	335,000	445,825	311,572	(134,253)
Fees - Other Services	18,000	18,000	31,528	13,528
Total Revenues	966,846	1,077,671	1,255,092	177,421
Expenditures:				
Education, Current:				
Food Services	1,100,500	1,211,325	1,172,974	38,351
Revenues Over (Under) Expenditures	\$ (133,654)	(133,654)	82,118	215,772
Other Financing Sources (Uses)				
Cash budgeted from prior year	133,654	133,654		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			82,118	
Fund Balances - beginning of year (adjusted)			150,386	
Fund Balances - end of year			232,504	
			82,118	
			104,196	
			(108,032)	
			78,282	
			78,282	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			82,118	
Accrued Revenues			104,196	
Accrued Expenditures			(108,032)	
Net change in fund balances (GAAP Budgetary Basis)			78,282	
			78,282	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 22000 - Athletics - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues:				
Local Sources:				
Fees - Activities	\$ 117,000	117,000	99,130	(17,870)
Prior Year Voided Checks	-	-	-	-
Investment Income	-	-	284	284
Total Revenues	117,000	117,000	99,414	(17,586)
Expenditures:				
Education, Current:				
Instructional	327,160	327,160	136,891	190,269
Revenues Over (Under) Expenditures	\$ (210,160)	(210,160)	(37,477)	172,683
Other Financing Sources (Uses)				
Cash budgeted from prior year	210,160	210,160		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(37,477)	
Fund Balances - beginning of year (adjusted)			175,021	
Fund Balances - end of year			137,544	
			<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>	
Net change in fund balance (Budget Basis)			(37,477)	
Accrued Revenues			-	
Accrued Expenditures			5,370	
Net change in fund balances (GAAP Budgetary Basis)			(32,107)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24101 - Title I IASA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Investment Income	\$ -	-	205	205
Federal Sources	414,972	494,634	372,185	(122,449)
Total Revenues	414,972	494,634	372,390	(122,244)
Expenditures:				
Education, Current:				
Instruction	280,539	408,156	328,857	79,299
Support Services - Students	-	-	-	-
Support Services - General Administration	9,092	11,081	9,026	2,055
Support Services - School Administration	125,341	75,397	74,125	1,272
Support Services - Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	414,972	494,634	412,008	82,626
Revenues Over (Under) Expenditures	\$ -	-	(39,618)	(39,618)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			136,767	
Net change in fund balances (Budget Basis)			97,149	
Fund Balances - beginning of year (adjusted)			(222,054)	
Fund Balances - end of year			(124,905)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			97,149	
<i>Accrued Revenues</i>			39,618	
<i>Accrued Expenditures</i>			49	
Net change in fund balances (GAAP Budgetary Basis)			136,816	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24107 - Discretionary IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Student Transportation	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(187)	
Net change in fund balances (Budget Basis)			(187)	
Fund Balances - beginning of year (adjusted)			187	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(187)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			(187)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24108 -Competitive IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(303)	
Net change in fund balances (Budget Basis)			(303)	
Fund Balances - beginning of year (adjusted)			303	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(303)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Operating Transfers and Adjustments</i>			303	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24109 - Preschool IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	22,413	51,175	25,862	(25,313)
Total Revenues	22,413	51,175	25,862	(25,313)
Expenditures:				
Education, Current:				
Instruction	13,410	30,731	26,777	3,954
Support Services - Students	5,302	11,302	3,765	7,537
Support Services - General Administration	650	650	650	-
Support Services - School Administration	3,051	8,492	116	8,376
Total Expenditures	22,413	51,175	31,308	19,867
Revenues Over (Under) Expenditures	\$ -	-	(5,446)	(5,446)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			13,597	
Net change in fund balances (Budget Basis)			8,151	
Fund Balances - beginning of year (adjusted)			(22,070)	
Fund Balances - end of year			(13,919)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			8,151	
<i>Accrued Revenues</i>			5,446	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			13,597	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24112 - Title VI IASA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(43)	
Net change in fund balances (Budget Basis)			(43)	
Fund Balances - beginning of year (adjusted)			43	
Fund Balances - end of year			-	
			<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>	
Net change in fund balance (Budget Basis)			(43)	
Accrued Revenues			-	
Accrued Expenditures			-	
Operating Transfers and Adjustments			43	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24119 - Carl D. Perkins Tech Prep - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			248	
Net change in fund balances (Budget Basis)			248	
Fund Balances - beginning of year (adjusted)			(248)	
Fund Balances - end of year			-	
 <u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			248	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Operating Transfers and Adjustments</i>			(248)	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24120 - IDEA-B "Risk Pool" - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources	\$ -	-	386	386
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	386	386
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			386	
Fund Balances - beginning of year (adjusted)			(386)	
Fund Balances - end of year:			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			386	
Accrued Revenues			(386)	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24137 - Classroom Reduction - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(47)	
Net change in fund balances (Budget Basis)			(47)	
Fund Balances - beginning of year (adjusted)			47	
Fund Balances - end of year			-	
			<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>	
Net change in fund balance (Budget Basis)			(47)	
Accrued Revenues			-	
Accrued Expenditures			-	
Operating Transfers and Adjustments			47	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24154 - Title II -A Teacher/Principal Training & Recruiting - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	118,895	175,063	118,210	(56,853)
Total Revenues	118,895	175,063	118,210	(56,853)
Expenditures:				
Education, Current:				
Instruction	116,232	171,142	123,823	47,319
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	2,663	3,921	2,773	1,148
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	118,895	175,063	126,596	48,467
Revenues Over (Under) Expenditures	\$ -	-	(8,386)	(8,386)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			48,243	
Net change in fund balances (Budget Basis)			39,857	
Fund Balances - beginning of year (adjusted)			(78,646)	
Fund Balances - end of year			(38,789)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			39,857	
Accrued Revenues			8,385	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			48,242	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24157 - Title IV-A Safe & Drug Free Schools - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	-	7,760	7,760
Total Revenues	-	-	7,760	7,760
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	7,760	7,760
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			3,118	
Net change in fund balances (Budget Basis)			10,878	
Fund Balances - beginning of year (adjusted)			(10,878)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			10,878	
<i>Accrued Revenues</i>			(7,760)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			3,118	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24162 - Title I School Improvement - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources	\$ -	24,726	21,490	(3,236)
Expenditures:				
Education, Current:				
Instruction	-	24,726	19,607	5,119
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Total Expenditures	-	24,726	19,607	5,119
Revenues Over (Under) Expenditures	\$ -	-	1,883	1,883
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			3,182	
Net change in fund balances (Budget Basis)			5,065	
Fund Balances - beginning of year (adjusted)			(5,065)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			5,065	
Accrued Revenues			(1,883)	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			3,182	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24206 - IDEA-B Entitlement - ARRA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	127,396	152,288	24,892
Total Revenues	-	127,396	152,288	24,892
Expenditures:				
Education, Current:				
Instruction	-	63,365	49,928	13,437
Support Services - Students	-	27,729	25,026	2,703
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	36,302	35,233	1,069
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Total Expenditures	-	127,396	110,187	17,209
Revenues Over (Under) Expenditures	\$ -	-	42,101	42,101
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			42,101	42,101
Fund Balances - beginning of year (adjusted)			(42,101)	(42,101)
Fund Balances - end of year			-	-
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			42,101	42,101
<i>Accrued Revenues</i>			(42,101)	(42,101)
<i>Accrued Expenditures</i>			-	-
Net change in fund balances (GAAP Budgetary Basis)			-	-

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24209 - IDEA-B Preschool - ARRA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources	\$ -	11,425	14,219	2,794
Expenditures:				
Education, Current:				
Instruction	-	5,000	5,000	-
Support Services - Students	-	3,000	1,308	1,692
Support Services - General Administration	-	3,425	-	3,425
Student Transportation	-	-	-	-
Total Expenditures	-	11,425	6,308	5,117
Revenues Over (Under) Expenditures	\$ -	-	7,911	7,911
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
Net change in fund balances (Budget Basis)			7,911	
Fund Balances - beginning of year (adjusted)			(7,911)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			7,911	
Accrued Revenues			(7,911)	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24213 - Education of Homeless - ARRA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Federal Sources	\$ -	3,190	9,975	6,785
Expenditures:				
Education, Current:				
Instruction	-	3,190	3,165	25
Total Expenditures	-	3,190	3,165	25
Revenues Over (Under) Expenditures	\$ -	-	6,810	6,810
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			6,810	
Fund Balances - beginning of year (adjusted)			(6,810)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			6,810	
Accrued Revenues			(6,810)	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 25131 - Johnson O'Malley - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	-	21,186	16,973	(4,213)
Total Revenues	-	21,186	16,973	(4,213)
Expenditures:				
Education, Current:				
Instruction	-	6,863	6,340	523
Support Services - Students	-	13,842	13,386	456
Support Services - General Administration	-	481	256	225
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Total Expenditures	-	21,186	19,982	1,204
Revenues Over (Under) Expenditures	\$ -	-	(3,009)	(3,009)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			5,953	
Net change in fund balances (Budget Basis)			2,944	
Fund Balances - beginning of year (adjusted)			(9,979)	
Fund Balances - end of year			(7,035)	
<i>Reconciliation from Budgetary to GAAP Budgetary Basis</i>				
<i>Net change in fund balance (Budget Basis)</i>			2,944	
<i>Accrued Revenues</i>			7,035	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Budgetary Basis)</i>			9,979	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 25184 - Indian Education Formula Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Federal Sources	\$ -	83,990	75,523	(8,467)
Total Revenues	-	83,990	75,523	(8,467)
Expenditures:				
Education, Current:				
Instruction	-	51,158	50,572	586
Support Services - Students	-	20,403	20,294	109
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	1,989	1,405	584
Support Services - School Administration	-	10,440	10,020	420
Total Expenditures	-	83,990	82,291	1,699
Revenues Over (Under) Expenditures	\$ -	-	(6,768)	(6,768)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(6,768)	
Fund Balances - beginning of year (adjusted)			(6,084)	
Fund Balances - end of year			(12,852)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(6,768)	
<i>Accrued Revenues</i>			(6,289)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			(13,057)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 25200 - NM Youth Conservation Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources	\$ -	75,266	11,085	(64,181)
Expenditures:				
Education, Current:				
Instruction	-	75,266	57,093	18,173
Total Expenditures	-	75,266	57,093	18,173
Revenues Over (Under) Expenditures	\$ -	-	(46,008)	(46,008)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(46,008)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(46,008)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(46,008)	
Accrued Revenues			46,008	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 25255 - Education Jobs Fund - ARRA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Federal Sources	\$ -	8,597	176,545	167,948
Expenditures:				
Education, Current:				
Instruction	-	8,597	8,597	-
Total Expenditures	-	8,597	8,597	-
Revenues Over (Under) Expenditures	\$ -	-	167,948	167,948
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments	-	-	-	
Net change in fund balances (Budget Basis)			167,948	
Fund Balances - beginning of year (adjusted)			(167,948)	
Fund Balances - end of year:			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			167,948	
<i>Accrued Revenues</i>			(167,948)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 26125 - Wallace Foundation Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Local Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Support Services - General Administration	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			4,527	
Net change in fund balances (Budget Basis)			4,527	
Fund Balances - beginning of year (adjusted)			(4,527)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			4,527	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			4,527	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 26150 - BP Education Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	20,000	20,000	-
Expenditures:				
Education, Current:				
Support Services - General Administration	-	20,000	4,473	15,527
Total Expenditures	-	20,000	4,473	15,527
Revenues Over (Under) Expenditures	\$ -	-	15,527	15,527
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			15,527	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			15,527	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			15,527	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Budgetary Basis)</i>			15,527	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 26200 - Conoco Phillips Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues:				
Local Sources	\$ -	-	40,745	40,745
Expenditures:				
Education, Current:				
Community Services	-	-	-	-
Support Services - Students	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	40,745	40,745
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			40,745	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			40,745	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			40,745	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			40,745	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27103 - Dual Credit Instructional Materials - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	8,642	7,668	(974)
Total Revenues	-	8,642	7,668	(974)
Expenditures:				
Education, Current:				
Operations and Maintenance of Plant	-	8,642	8,642	-
Revenues Over (Under) Expenditures	\$ -	-	(974)	(974)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(974)	
Fund Balances - beginning of year (adjusted)			(4,320)	
Fund Balances - end of year			(5,294)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(974)	
<i>Accrued Revenues</i>			974	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27105 - 2008 G.O. Bond Student Library - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	2,689	3,017	328
Total Revenues	-	2,689	3,017	328
Expenditures:				
Education, Current:				
Support Services - Instruction	-	2,689	2,689	-
Revenues Over (Under) Expenditures	\$ -	-	328	328
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			328	
Fund Balances - beginning of year (adjusted)			(328)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			328	
<i>Accrued Revenues</i>			(328)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27106 - 2010 G.O. Bond Student Library - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	14,770	14,770	2,200	(12,570)
Total Revenues	14,770	14,770	2,200	(12,570)
Expenditures:				
Education, Current:				
Support Services - Instruction	14,770	14,770	3,562	11,208
Revenues Over (Under) Expenditures	\$ -	-	(1,362)	(1,362)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(1,362)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(1,362)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(1,362)	
<i>Accrued Revenues</i>			1,362	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27117 - Technology for Education - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	17,220	16,800	420
Support Services - Instruction	-	67,870	17,965	49,905
Central Services	-	-	1,150	(1,150)
	-	85,090	35,915	49,175
Revenues Over (Under) Expenditures	\$ -	(85,090)	(35,915)	49,175
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	85,090		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(35,915)	
Fund Balances - beginning of year (adjusted)			85,089	
Fund Balances - end of year			49,174	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(35,915)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			(35,915)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27138 - Incentives for School Improvement - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Support Services - Students	-	8,550	6,645	1,905
Support Services - Instruction	-	-	1,905	(1,905)
	-	-	-	-
Total Expenditures	-	8,550	8,550	-
Revenues Over (Under) Expenditures	\$ -	(8,550)	(8,550)	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	8,550		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			(8,550)	
Fund Balances - beginning of year (adjusted)			8,550	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(8,550)	
Accrued Revenues			-	
Accrued Expenditures			-	
Operating Transfers and Adjustments			8,550	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27141 - Truancy Prevention - PED - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			33,452	
Net change in fund balances (Budget Basis)			33,452	
Fund Balances - beginning of year (adjusted)			(33,452)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			33,452	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			33,452	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27152 - Reading Improvement Initiatives - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(49)	
Net change in fund balances (Budget Basis)			(49)	
Fund Balances - beginning of year (adjusted)			49	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(49)	
Accrued Revenues			-	
Accrued Expenditures			-	
Operating Transfers and Adjustments			49	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27154 - Beginning Teacher Mentoring - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	2,589	2,589	-
Support Services - General Administration	-	-	-	-
Total Expenditures	-	2,589	2,589	-
Revenues Over (Under) Expenditures	\$ -	(2,589)	(2,589)	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	2,589		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(2,589)	
Fund Balances - beginning of year (adjusted)			2,589	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(2,589)	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			(2,589)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27163 - Schools in Need of Improvement - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			3,825	
Net change in fund balances (Budget Basis)			3,825	
Fund Balances - beginning of year (adjusted)			(3,825)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			3,825	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			3,825	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27549 - Library Book - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(1,615)	
Net change in fund balances (Budget Basis)			(1,615)	
Fund Balances - beginning of year (adjusted)			1,615	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(1,615)	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			(1,615)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 28131 - NM Arts - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	157	156	1
Support Services - General Administration	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	-	157	156	1
Revenues Over (Under) Expenditures	\$ -	(157)	(156)	1
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	157		
Operating Transfers and Adjustments			(156)	
Net change in fund balances (Budget Basis)			156	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(156)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Operating Transfers and Adjustments</i>			156	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 28144 - Medicaid Support - HSD - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	105,194	121,638	16,444
Total Revenues	-	105,194	121,638	16,444
Expenditures:				
Education, Current:				
Instruction	-	10,500	7,353	3,147
Support Services - Students	-	23,500	21,728	1,772
Support Services - School Administration	-	71,194	28,575	42,619
Total Expenditures	-	105,194	57,656	47,538
Revenues Over (Under) Expenditures	\$ -	-	63,982	63,982
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			63,982	
Fund Balances - beginning of year (adjusted)			105,194	
Fund Balances - end of year			169,176	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			63,982	
<i>Accrued Revenues</i>			(19,914)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			44,068	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 28151 - Resources for School Health - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Support Services - School Administration	-	3,226	3,225	1
Revenues Over (Under) Expenditures	\$ -	(3,226)	(3,225)	1
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	3,226		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			(3,225)	
Fund Balances - beginning of year (adjusted)			3,225	
Fund Balances - end of year:			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(3,225)	
Accrued Revenues			-	
Accrued Expenditures			-	
Operating Transfers and Adjustments			3,225	
Net change in fund balances (GAAP Budgetary Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 28192- Lograr Institute - Graduate NM - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues:				
State Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	19,237	19,237	-
Revenues Over (Under) Expenditures	\$ -	(19,237)	(19,237)	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	19,237		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(19,237)	
Fund Balances - beginning of year (adjusted)			19,237	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(19,237)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			12,441	
Net change in fund balances (GAAP Budgetary Basis)			(6,796)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 31100 - Bond Building - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources:				
Investment Income	\$ -	-	6,763	6,763
Bond Sale	\$ -	-	-	-
	-	-	6,763	6,763
Expenditures:				
Education, Non-Current:				
Capital Outlay	1,188,184	10,735,790	8,819,820	1,915,970
Revenues Over (Under) Expenditures	\$ (1,188,184)	(10,735,790)	(8,813,057)	1,922,733
Other Financing Sources (Uses)				
Cash budgeted from prior year	1,188,184	10,735,790		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(8,813,057)	
Fund Balances - beginning of year (adjusted)			10,735,790	
Fund Balances - end of year			1,922,733	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(8,813,057)	
Accrued Revenues			-	
Accrued Expenditures			1,185,998	
Net change in fund balances (GAAP Budgetary Basis)			(7,627,059)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 31200 - Public School Capital Outlay - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
State Sources				
State Flow-Through Grant	\$ -	-	-	-
Local Sources				
Ad Valorem Taxes - School District	-	-	-	-
Oil and Gas Taxes	-	-	-	-
Investment Income	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Support Services - General Administration	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(54)	
Net change in fund balances (Budget Basis)			(54)	
Fund Balances - beginning of year (adjusted)			54	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(54)	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Budgetary Basis)			(54)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources				
State Flow-Through Grant	\$ -	-	90,674	90,674
Local Sources				
Ad Valorem Taxes - School District	707,021	707,021	721,056	14,035
Oil and Gas Taxes	913,522	913,522	988,081	74,559
Investment Income	-	-	1,894	1,894
	1,620,543	1,620,543	1,711,031	90,488
Total Revenues	1,620,543	1,620,543	1,801,705	181,162
Expenditures:				
Education, Current:				
Support Services - General Administration	10,000	10,000	7,211	2,789
Education, Non-Current:				
Capital Outlay	6,625,556	6,625,556	2,084,764	4,540,792
Total Expenditures	6,635,556	6,635,556	2,091,975	4,543,581
Revenues Over (Under) Expenditures	\$ (5,015,013)	(5,015,013)	(290,270)	4,724,743
Other Financing Sources (Uses)				
Cash budgeted from prior year	5,015,013	5,015,013		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(290,270)	
Fund Balances - beginning of year (adjusted)			5,606,421	
Fund Balances - end of year			5,316,151	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(290,270)	
<i>Accrued Revenues</i>			8,823	
<i>Accrued Expenditures</i>			(168,379)	
<i>Net change in fund balances (GAAP Budgetary Basis)</i>			(449,826)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 41000 - Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable)
				Final to Actual
Revenues:				
Local Sources				
Ad Valorem Taxes - School District	\$ 1,765,000	\$ 1,765,000	\$ 1,739,064	\$ (25,936)
Oil and Gas Taxes	2,600,000	2,600,000	2,259,948	(340,052)
Investment Income	4,000	4,000	2,386	(1,614)
Special Revenue Bond Proceed:	-	-	-	-
Premium/Discount on Issuance of Bond	-	-	-	-
Total Revenues	4,369,000	4,369,000	4,001,398	(367,602)
Expenditures:				
Education - Current				
Support Services - General Administration	11,000	16,000	15,941	59
Debt Service				
Other Professional Services	-	-	343	(343)
Debt Service Reserve	3,839,775	3,834,775	-	3,834,775
Bond Principal Payments	2,300,000	2,300,000	2,300,000	-
Bond Interest Payments	2,072,067	2,072,067	1,166,254	905,813
Total Expenditures	8,222,842	8,222,842	3,482,538	4,740,304
Revenues Over (Under) Expenditure	(3,853,842)	(3,853,842)	\$ 518,860	\$ (5,107,906)
Other Financing Sources (Uses)				
Cash budgeted from prior year	\$ 3,853,842	\$ 3,853,842		
Operating Transfers and Adjustments			\$ -	
Net change in fund balances (Budget Basis)			518,860	
Fund Balances - beginning of year (adjusted)			3,507,856	
Fund Balances - end of year			\$ 4,026,716	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 518,860	
<i>Accrued Revenues</i>			(2,020)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Budgetary Basis)			\$ 516,840	

GENERAL FUND

STATE OF NEW MEXICO

Aztec Municipal Schools

General Fund

Combining Balance Sheet

As of June 30, 2012

	<u>Fund 11000</u>		<u>Fund 13000</u>		<u>Fund 14000</u>		<u>Total General Fund</u>
	<u>Operational</u>		<u>Transportation</u>		<u>Instructional Materials</u>		
<u>ASSETS</u>							
Assets:							
Cash	\$ 2,327,932	\$	59,804	\$	64,962	\$	2,452,698
Taxes receivable	28,675		-		-		28,675
Due from other funds	685,760		-		-		685,760
Other receivable	65,281		-		-		65,281
Total assets	<u>\$ 3,107,648</u>	\$	<u>59,804</u>	\$	<u>64,962</u>	\$	<u>3,232,414</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 24,288	\$	3,248	\$	1,584	\$	29,120
Accrued salaries and benefits	598,652		59,804		-		658,456
Deferred revenues	8,697		-		-		8,697
Total liabilities	<u>631,637</u>		<u>63,052</u>		<u>1,584</u>		<u>696,273</u>
Fund balances							
Nonspendable							
Spendable							
Restricted for:							
Committed for:							
Emergency Reserves	150,000		-		-		150,000
Subsequent years expenditures	1,123,294		-		-		1,123,294
Unassigned							
General fund	1,202,717		(3,248)		63,378		1,262,847
Total fund balance	<u>2,476,011</u>		<u>(3,248)</u>		<u>63,378</u>		<u>2,536,141</u>
Total liabilities and fund balance	<u>\$ 3,107,648</u>	\$	<u>59,804</u>	\$	<u>64,962</u>	\$	<u>3,232,414</u>

STATE OF NEW MEXICO
Aztec Municipal Schools General Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2012

	<u>Fund 11000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	<u>Total General Fund</u>
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
State grants	20,302,328	1,252,916	137,512	21,692,756
Local sources:				
Taxes	296,834	-	-	296,834
Charges for services	75,593	-	-	75,593
Investment income	26,271	-	-	26,271
Miscellaneous	131,810	-	3,085	134,895
Total revenues	<u>20,832,836</u>	<u>1,252,916</u>	<u>140,597</u>	<u>22,226,349</u>
Expenditures:				
Current:				
Instruction	12,616,140	-	50,535	12,666,675
Support services - students	1,850,480	-	-	1,850,480
Support services - instruction	362,912	-	-	362,912
Support services - general administration	300,809	-	-	300,809
Support services - school administration	1,569,216	-	-	1,569,216
Central services	466,859	-	-	466,859
Operations and maintenance of plant	2,699,735	-	-	2,699,735
Student transportation	100,509	1,248,405	-	1,348,914
Other support services	25,594	-	-	25,594
Total Expenditures	<u>19,992,254</u>	<u>1,248,405</u>	<u>50,535</u>	<u>21,291,194</u>
Revenues over (under) expenditures	<u>840,582</u>	<u>4,511</u>	<u>90,062</u>	<u>935,155</u>
Other financing sources (Uses):				
Operating transfers in	96	72,576	-	72,672
Operating transfers out	(414,357)	-	-	(414,357)
Net other financing sources (uses)	<u>(414,261)</u>	<u>72,576</u>	<u>-</u>	<u>(341,685)</u>
Net Change in fund balance	426,321	77,087	90,062	593,470
Fund balance - beginning of year	2,049,690	(80,335)	(26,684)	1,942,671
Fund balance - end of year	<u>\$ 2,476,011</u>	<u>\$ (3,248)</u>	<u>\$ 63,378</u>	<u>\$ 2,536,141</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 11000 - Operational
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Impact Aid	\$ -	-	-	-
Indirect Costs - Federal Direct Grants	600	600	1,139	539
Indirect Costs - Federal Flowthrough Grants	6,000	6,000	29,439	23,439
Access Board (E-rate)	-	-	-	-
	<u>6,600</u>	<u>6,600</u>	<u>30,578</u>	<u>23,978</u>
State Sources:				
State Equalization Guarantee	19,937,478	20,303,340	20,267,718	(35,622)
Charter School Administration Revenue	20,000	20,000	21,913	1,913
Indirect Costs - State Flowthrough Grants	1,035	1,035	-	(1,035)
Indirect Costs - State Direct Grants	-	-	-	-
Ingovernmental Contract Revenue	-	-	-	-
Fees - Governmental Revenues	43,000	43,000	34,610	(8,390)
	<u>20,001,513</u>	<u>20,367,375</u>	<u>20,324,241</u>	<u>(43,134)</u>
Local Sources:				
Ad Valorem Taxes - School District	133,513	133,513	136,456	2,943
Oil and Gas Taxes	228,381	228,381	246,599	18,218
Investment Income	15,000	15,000	26,271	11,271
Fees - Activities	-	-	-	-
Fees - Educational	18,000	18,000	17,248	(752)
Fees - Users	8,000	8,000	4,924	(3,076)
Fees - Summer School	-	-	-	-
Royalties	500	500	549	49
Rentals	450	450	281	(169)
Contributions from Private Sources	-	-	100	100
Insurance Recoveries	-	-	6,538	6,538
Refunds of Prior Year's Expenditures	-	-	59,991	59,991
Sale of District Assets	-	-	-	-
	<u>403,844</u>	<u>403,844</u>	<u>498,957</u>	<u>95,113</u>
Total Revenues	<u>20,411,957</u>	<u>20,777,819</u>	<u>20,853,776</u>	<u>75,957</u>
Expenditures:				
Education, Current:				
Instruction	14,008,480	14,279,492	12,645,806	1,633,686
Support Services - Students	1,935,048	1,933,428	1,854,617	78,811
Support Services - Instruction	392,400	437,400	362,912	74,488
Support Services - General Administration	401,062	413,426	299,627	113,799
Support Services - School Administration	1,559,332	1,580,138	1,569,216	10,922
Support Services - Central Services	474,280	492,580	467,949	24,631
Operations and Maintenance of Plant	3,003,107	2,972,107	2,724,305	247,802
Student Transportation	75,787	106,787	97,101	9,686
Other Support Services	195,671	195,671	19,648	176,023
Food Services	-	-	-	-
Community Services	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>22,045,167</u>	<u>22,411,029</u>	<u>20,041,181</u>	<u>2,369,848</u>
Revenues Over (Under) Expenditures	\$ (1,633,210)	(1,633,210)	812,595	2,445,805
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>1,633,210</u>	<u>1,633,210</u>		
Operating Transfers and Adjustments			(414,261)	
Net change in fund balances (Budget Basis)			<u>398,334</u>	
Fund Balances - beginning of year (adjusted)			2,016,706	
Fund Balances - end of year			<u>2,415,040</u>	
Reconciliation from Budgetary to GAAP Budgetary Basis				
<i>Net change in fund balance (Budget Basis)</i>			398,334	
<i>Accrued Revenues</i>			(20,940)	
<i>Accrued Expenditures</i>			48,927	
Net change in fund balances (GAAP Budgetary Basis)			<u>426,321</u>	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 13000 - Transportation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources:				
Transportation Distribution	\$ 1,169,550	1,243,463	1,243,463	-
Transportation Distribution - Supplemental	-	9,453	9,453	-
Transportation Distribution	-	-	-	-
	1,169,550	1,252,916	1,252,916	-
Local Sources:				
Sale of District Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Prior Year Voided Checks	-	-	-	-
Total Revenues	1,169,550	1,252,916	1,252,916	-
Expenditures:				
Education, Current:				
Student Transportation	1,169,550	1,253,262	1,253,262	-
Revenues Over (Under) Expenditures	\$ -	(346)	(346)	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	346		
Operating Transfers and Adjustments			72,576	
Net change in fund balances (Budget Basis)			72,230	
Fund Balances - beginning of year (adjusted)			(72,230)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			72,230	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			4,857	
<i>Net change in fund balances (GAAP Budgetary Basis)</i>			77,087	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 14000 - Instructional Materials
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources:				
Instructional Materials - Adopted 50%	\$ 60,377	60,377	68,756	8,379
Instructional Materials - Other 50%	60,378	60,378	68,756	8,378
State Flow-through	-	-	-	-
	120,755	120,755	137,512	16,757
Local Sources:				
Insurance/Individual Recoveries	-	-	3,085	3,085
Total Revenues	120,755	120,755	140,597	19,842
Expenditures:				
Education, Current:				
Instruction	128,034	128,034	105,188	22,846
Support Services - Instruction	-	-	-	-
Total Expenditures	128,034	128,034	105,188	22,846
Revenues Over (Under) Expenditures	\$ (7,279)	(7,279)	35,409	42,688
Other Financing Sources (Uses)				
Cash budgeted from prior year	7,279	7,279		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			35,409	
Fund Balances - beginning of year (adjusted)			29,553	
Fund Balances - end of year			64,962	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			35,409	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			54,653	
<i>Net change in fund balances (GAAP Budgetary Basis)</i>			90,062	

MOSAIC ACADEMY CHARTER SCHOOL

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Balance Sheet
As of June 30, 2012

	GENERAL		SPECIAL REVENUE			CAPITAL PROJECTS		
	Fund 11000	Fund 14000	Fund 24106	Fund 26170	Fund 27105	Fund 31700		
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	Microsoft Settlement	2,008 G.O. Bond Student Library Fund	Capital Improvements SB-9		Total
Assets:								
Cash and cash equivalents	\$ 320,249	\$ 16,186	\$ 228	\$ 15,721	\$ 1	\$ -		\$ 352,385
Due from other governments	-	-	-	-	-	-		-
Other Receivables	-	-	-	-	-	-		-
Due from Grantor	-	-	33,044	-	1,174	5,989		40,207
Due from Other Funds	40,209	-	-	-	-	-		40,209
Inventory	-	-	-	-	-	-		-
Total Assets	\$ 360,458	\$ 16,186	\$ 33,272	\$ 15,721	\$ 1,175	\$ 5,989		\$ 432,801
Liabilities:								
Accounts Payable	\$ 2,110	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2,110
Accrued Salaries and Benefits	31,471	-	227	-	-	-		31,698
Due to Other Funds	-	-	33,045	-	1,175	5,989		40,209
Total Liabilities	33,581	-	33,272	-	1,175	5,989		74,017
Fund Balances								
Nonspendable	-	-	-	-	-	-		-
Inventory	-	-	-	-	-	-		-
Spendable								
Restricted for:								
Education	-	-	-	15,721	-	-		15,721
Committed for:								
Subsequent years expenditures	321,847	-	-	-	-	-		321,847
Unassigned	5,030	16,186	-	-	-	-		21,216
Total Fund Balance	326,877	16,186	-	15,721	-	-		358,784
Total Liabilities and Fund Balance	\$ 360,458	\$ 16,186	\$ 33,272	\$ 15,721	\$ 1,175	\$ 5,989		\$ 432,801

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Reconciliation of the Balance Sheet to the
 Statement of Net Assets
 As of June 30, 2012

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

Total fund balances - governmental funds	\$	358,784
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets is	355,687	
Accumulated depreciation is	<u>(113,689)</u>	241,998

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:

Capital lease payable		(3,380)
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Total net assets - governmental activities	\$	<u><u>597,402</u></u>
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STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	GENERAL		SPECIAL REVENUE				
	Fund 11000	Fund 14000	Fund 24106	Fund 25250	Fund 25255	Fund 26170	Fund 27105
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	State Equalization ARRA	Education Jobs Fund	Microsoft Settlement	2,008 GO Bond Student Library Fund
Revenues:							
Federal Grants	\$ -	\$ -	\$ 96,628	\$ 1	\$ 492	\$ -	\$ -
State Grants	1,073,724	7,607	-	-	-	-	1,174
Local Sources:	-	-	-	-	-	-	-
Local Grants	-	-	-	-	-	-	-
Charges for Services	4,317	6	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Miscellaneous	50,186	-	-	-	-	-	-
Total Revenues	<u>1,128,227</u>	<u>7,613</u>	<u>96,628</u>	<u>1</u>	<u>492</u>	<u>-</u>	<u>1,174</u>
Expenditures:							
Current:							
Instruction	783,593	12,936	93,687	-	492	9,617	-
Support Services - Students	10,718	-	801	-	-	-	-
Support Services - Instruction	11,476	660	-	-	-	-	1,174
Support Services - General Administration	10,169	-	2,140	-	-	-	-
Support Services - School Administration	190,097	-	-	-	-	-	-
Central Services	71,198	-	-	-	-	-	-
Operations and Maintenance of Plant	63,888	-	-	-	-	-	-
Food Services	3,189	-	-	-	-	-	-
Capital Outlay	6,043	-	-	-	-	-	-
Total Expenditures	<u>1,150,371</u>	<u>13,596</u>	<u>96,628</u>	<u>-</u>	<u>492</u>	<u>9,617</u>	<u>1,174</u>
Revenues Over (Under) Expenditures	<u>(22,144)</u>	<u>(5,983)</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(9,617)</u>	<u>-</u>
Other Financing Sources (Uses):							
Operating Transfers In	4,060	-	-	-	-	-	-
Operating Transfers Out	-	-	-	(1)	-	-	-
Lease Purchase Payments	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	<u>4,060</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(18,084)	(5,983)	-	-	-	(9,617)	-
Fund Balance - Beginning of Year	<u>344,961</u>	<u>22,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,338</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 326,877</u>	<u>\$ 16,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,721</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2012

	SPECIAL REVENUE		CAPITAL PROJECTS		TOTAL
	Fund 27154 Beginning Teacher Mentoring	Fund 27170 GO Bond Student Library	Fund 31200 Public School Capital Outlay	Fund 31700 Capital Improvements SB-9	
Revenues:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ 97,121
State Grants	-	-	111,896	10,339	1,204,740
Local Sources:	-	-	-	-	-
Local Grants	-	-	-	-	-
Charges for Services	-	-	-	-	4,323
Investment Income	-	-	-	-	-
Miscellaneous	-	-	-	-	50,186
Total Revenues	-	-	111,896	10,339	1,356,370
Expenditures:					
Current:					
Instruction	-	-	-	-	900,325
Support Services - Students	-	-	-	-	11,519
Support Services - Instruction	-	-	-	-	13,310
Support Services - General Administration	-	-	-	-	12,309
Support Services - School Administration	-	-	-	-	190,097
Central Services	-	-	-	-	71,198
Operations and Maintenance of Plant	-	-	-	-	63,888
Food Services	-	-	-	-	3,189
Capital Outlay	-	-	111,896	10,339	128,278
Total Expenditures	-	-	111,896	10,339	1,394,113
Revenues Over (Under) Expenditures	-	-	-	-	(37,743)
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	4,060
Operating Transfers Out	(1)	(1)	(4,057)	-	(4,060)
Lease Purchase Payments	-	-	-	-	-
Net Other Financing Sources (Uses)	(1)	(1)	(4,057)	-	-
Net Change in Fund Balance	(1)	(1)	(4,057)	-	(37,743)
Fund Balance - Beginning of Year	1	1	4,057	-	396,527
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -	\$ 358,784

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds	\$	(37,743)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	(28,303)	
Capital outlays	6,043	
Excess of capital outlays over depreciation expense		(22,260)

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

Lease purchase principal payments	-	3,120
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Change in net assets of governmental activities	\$	<u><u>(56,883)</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
As of June 30, 2012

	Balance
<u>Assets</u>	<u>June 30, 2012</u>
Cash and Investments	\$ <u>6,700</u>
Total Assets	\$ <u><u>6,700</u></u>
<u>Liabilities</u>	
Due to Student Organizations	\$ <u>6,700</u>
Total liabilities	\$ <u><u>6,700</u></u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Fund 11000 - Operational Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Federal Sources:				
Indirect Costs - Federal Flowthrough Grants	-	-	-	-
	-	-	-	-
State Sources:				
State Equalization Guarantee	1,069,878	1,073,727	1,073,724	(3)
Total State Sources	1,069,878	1,073,727	1,073,724	(3)
Local Sources:				
Fees - Users	1,525	1,525	1,430	(95)
Refunds of Prior Year's Expenditures	-	-	50,186	50,186
Contributions from Private Sources	-	-	2,890	2,890
Sale of District Assets	-	-	-	-
Total Local Sources	1,525	1,525	54,506	52,981
Total Revenues	1,071,403	1,075,252	1,128,230	52,978
Expenditures:				
Education, Current:				
Instruction	802,041	841,339	783,548	57,791
Support Services - Students	8,113	12,452	10,718	1,734
Support Services - Instruction	9,991	12,347	11,476	871
Support Services - General Administration	10,300	10,600	10,264	336
Support Services - School Administration	208,973	235,743	190,142	45,601
Support Services - Central Services	71,222	72,797	71,198	1,599
Operations and Maintenance of Plant	207,964	205,614	63,714	141,900
Other Support Services	20,000	20,000	-	20,000
Food Services	5,000	5,000	3,189	1,811
Education, Non-Current:				
Capital Outlay	-	6,349	6,043	306
Total Expenditures	1,343,604	1,422,241	1,150,292	271,949
Revenues Over (Under) Expenditures	(272,201)	(346,989)	(22,062)	324,927
Other Financing Sources (Uses)				
Cash budgeted from prior year	272,201	346,989		
Operating Transfers and Adjustments			4,060	
Net change in fund balances (Budget Basis)			(18,002)	
Fund Balances - beginning of year (adjusted)			346,989	
Fund Balances - end of year			328,987	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			(18,002)	
Accrued Revenues			(3)	
Accrued Expenditures			(79)	
Net change in fund balances (GAAP basis)			(18,084)	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 14000 - Instructional Materials Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
State Sources:				
Instructional Materials - Credit 50%	\$ -	-	-	-
Instructional Materials - Cash 50%	6,500	6,500	7,607	1,107
Library Materials	-	-	-	-
	<u>6,500</u>	<u>6,500</u>	<u>7,607</u>	<u>1,107</u>
Local Sources:				
Insurance/Individual Recoveries	-	-	6	6
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>7,613</u>	<u>1,113</u>
Expenditures:				
Education, Current:				
Instruction	22,288	24,731	13,498	11,233
Support Services - Instruction	4,500	4,500	660	3,840
Total Expenditures	<u>26,788</u>	<u>29,231</u>	<u>14,158</u>	<u>15,073</u>
Revenues Over (Under) Expenditures	\$ <u>(20,288)</u>	<u>(22,731)</u>	<u>(6,545)</u>	<u>16,186</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>20,288</u>	<u>22,731</u>		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(6,545)	
Fund Balances - beginning of year (adjusted)			22,731	
Fund Balances - end of year			<u>16,186</u>	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			(6,545)	
Accrued Revenues			-	
Accrued Expenditures			562	
Net change in fund balances (GAAP basis)			<u>(5,983)</u>	

STATE OF NEW MEXICO
Aztec Municipal Schools
Budget and Actual (Non-GAAP Basis)
Fund 24106 - Entitlement IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Flow-Through Grants - District to Charter	-	98,394	63,690	(34,704)
Total Revenues	-	98,394	63,690	(34,704)
Expenditures:				
Education, Current:				
Instruction	-	95,441	93,687	1,754
Support Services - Students	-	813	801	12
Support Services - General Administration	-	2,140	2,140	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Student Transportation	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	-	98,394	96,628	1,766
Revenues Over (Under) Expenditures	-	-	(32,938)	(32,938)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(32,938)	
Fund Balances - beginning of year (adjusted)			(106)	
Fund Balances - end of year			(33,044)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			(32,938)	
Accrued Revenues			32,938	
Accrued Expenditures			-	
Net change in fund balances (GAAP basis)			-	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 24206 - IDEA-B Entitlement - ARRA - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
Flow Through Grants - District to Charter	-	-	1,032	1,032
Total Revenues	-	-	1,032	1,032
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	1,032	1,032
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			1,032	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			1,032	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			1,032	
<i>Accrued Revenues</i>			(1,032)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			-	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 25250 - State Equalization Guarantee - ARRA - Speical Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Budgetary Basis)	Final to Actual
Revenues:				
Federal Sources	\$ -	-	1,316	1,316
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	1,316	1,316
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(1)	
Net change in fund balances (Budget Basis)			1,315	
Fund Balances - beginning of year (adjusted)			(1,315)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			1,315	
<i>Accrued Revenues</i>			(1,315)	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP basis)</i>			-	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 25255 - Education Jobs Bill - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Budgetary Basis)	Final to Actual
Revenues:				
Federal Sources	\$ -	492	8,924	8,432
Expenditures:				
Education, Current:				
Instruction	-	492	492	-
Total Expenditures	-	492	492	-
Revenues Over (Under) Expenditures	\$ -	-	8,432	8,432
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			8,432	
Fund Balances - beginning of year (adjusted)			(8,432)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			8,432	
<i>Accrued Revenues</i>			(8,432)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			-	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 26170 - Microsoft Settlement - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Budgetary Basis)	Final to Actual
Revenues:				
Local Sources	\$ -	-	-	-
Expenditures:				
Education, Current:				
Support Services - General Administration	25,000	25,000	9,617	15,383
Total Expenditures	25,000	25,000	9,617	15,383
Revenues Over (Under) Expenditures	\$ (25,000)	(25,000)	(9,617)	15,383
Other Financing Sources (Uses)				
Cash budgeted from prior year	25,000	25,000		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(9,617)	
Fund Balances - beginning of year (adjusted)			25,338	
Fund Balances - end of year			15,721	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(9,617)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP basis)</i>			(9,617)	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27105 -2008 G.O. Bond Student Library Fund - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final
				to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	1,186	-	(1,186)
Total Revenues	-	1,186	-	(1,186)
Expenditures:				
Education, Current:				
Support Services - Instruction	-	1,186	1,174	12
Revenues Over (Under) Expenditures	\$ -	-	(1,174)	(1,174)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			(1,174)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			(1,174)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(1,174)	
<i>Accrued Revenues</i>			1,174	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			-	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27106 - 2010 G.O. Bond Student Library Fund - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Budgetary Basis)	Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	-	-	-
State Sources	2,157	2,157	-	(2,157)
Total Revenues	2,157	2,157	-	(2,157)
Expenditures:				
Education, Current:				
Instruction	2,157	2,157	-	2,157
Support Services - Instruction	-	-	-	-
Total Expenditures	2,157	2,157	-	2,157
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			-	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			-	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			-	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27154 - Beginning Teacher Mentoring - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
	Revenues:			
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	-	-	-
Total Revenues	-	-	-	-
 Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
 Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(1)	
Net change in fund balances (Budget Basis)			(1)	
Fund Balances - beginning of year (adjusted)			1	
Fund Balances - end of year			-	
 <u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(1)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			(1)	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27170 - 2006 G.O. Bond Student Library - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
	Revenues:			
Prior Year Voided Checks	\$ -	-	-	-
State Sources	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(1)	
Net change in fund balances (Budget Basis)			(1)	
Fund Balances - beginning of year (adjusted)			1	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(1)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			(1)	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 31200 - Public School Capital Outlay - Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Budgetary Basis)	Final to Actual
Revenues:				
Local Sources:				
State Flow-Through Grant	\$ -	115,995	111,896	(4,099)
	\$ -	-	-	-
	-	115,995	111,896	(4,099)
Expenditures:				
Education, Non-Current:				
Capital Outlay	-	115,995	111,896	4,099
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			(4,057)	
Net change in fund balances (Budget Basis)			(4,057)	
Fund Balances - beginning of year (adjusted)			4,057	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			(4,057)	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP basis)			(4,057)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
State Sources				
State Flow-Through Grant	\$ -	3,751	4,350	599
State Flow-Through Grant	\$ 5,981	6,748	1,233	(5,515)
	<u>5,981</u>	<u>10,499</u>	<u>5,583</u>	<u>(4,916)</u>
Local Sources				
Ad Valorem Taxes - School District	-	-	-	-
Oil and Gas Taxes	-	-	-	-
Investment Income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>5,981</u>	<u>10,499</u>	<u>5,583</u>	<u>(4,916)</u>
Expenditures:				
Education, Current:				
Support Services - General Administration	-	-	-	-
Education, Non-Current:				
Capital Outlay	5,981	10,499	10,339	160
Total Expenditures	<u>5,981</u>	<u>10,499</u>	<u>10,339</u>	<u>160</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(4,756)</u>	<u>(4,756)</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>-</u>	<u>-</u>		
Operating Transfers and Adjustments			<u>-</u>	
Net change in fund balances (Budget Basis)			<u>(4,756)</u>	
Fund Balances - beginning of year (adjusted)			<u>(1,233)</u>	
Fund Balances - end of year			<u>(5,989)</u>	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			<u>(4,756)</u>	
<i>Accrued Revenues</i>			<u>4,756</u>	
<i>Accrued Expenditures</i>			<u>-</u>	
<i>Net change in fund balances (GAAP basis)</i>			<u>-</u>	

SUPPORTING SCHEDULES

STATE OF NEW MEXICO

Aztec Municipal Schools

Schedule of Deposits

As of June 30, 2012

Primary Government

<u>Account Title</u>	<u>Citizens</u>	<u>Wells Fargo</u>	<u>Total</u>
Payroll Clearing	\$ 899,799	\$	\$ 899,799
General Fund	12,140,998		12,140,998
Operational and Capital Improvements	124,611		124,611
Activity Account	383,221		383,221
Athletic Account - Imprest	11,328		11,328
Athletic Account	292,716		292,716
AP Clearing		286,994	286,994
General		1,079,897	1,079,897
Total Deposits	13,852,673	1,366,891	15,219,564
Reconciling items	(178,762)	(284,351)	(463,113)
Reconciled balance June 30, 2012	\$ <u>13,673,911</u>	\$ <u>1,082,540</u>	\$ <u>14,756,451</u>

Reconciliation to the financial statements

Cash and cash equivalents:

Government-Wide statement of net assets	\$	10,189,079
Fiduciary statement of fiduciary assets and liabilities		390,671
	\$	<u>10,579,750</u>

Component Unit

<u>Account Title</u>	<u>Citizens</u>		<u>Total</u>
Payroll Clearing	\$ 41,753	\$	\$ 41,753
General Fund	328,012		328,012
AP Clearing	17,643		17,643
Total Deposits	387,408		387,408
Reconciling items	(28,323)		(28,323)
Reconciled balance June 30, 2012	\$ <u>359,085</u>	\$	\$ <u>359,085</u>

Reconciliation to the financial statements

Cash and cash equivalents:

Government-Wide statement of net assets	\$	352,385
Fiduciary statement of fiduciary assets and liabilities		6,700
	\$	<u>359,085</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Cash Reconciliation
For the Year Ended June 30, 2012

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>Local Grants</u>
Audited Cash and Investments, June 30, 2011	\$ 2,016,706	(72,230)	29,553	150,386	175,021	(664,231)	(184,011)	(4,527)
Add:								
2011-2012 Revenues	20,853,776	1,252,916	140,597	1,255,092	99,414	1,427,484	280,126	60,745
Cash Reclassification of Outstanding Liabilities	598,652	59,804	-	-	-	52,821	327	-
Net Loans from Other Funds	-	-	-	-	-	406,879	65,568	-
Operating Transfer In	<u>96</u>	<u>72,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,024</u>	<u>5,953</u>	<u>4,527</u>
Total Cash and Investments Available	<u>23,469,230</u>	<u>1,313,066</u>	<u>170,150</u>	<u>1,405,478</u>	<u>274,435</u>	<u>1,516,977</u>	<u>167,963</u>	<u>60,745</u>
Less:								
2011-2012 Expenditures	20,041,181	1,253,262	105,188	1,172,974	136,891	1,516,743	167,963	4,473
Net Loans to Other Funds	685,760	-	-	-	-	-	-	-
Refund to Grantor	-	-	-	-	-	187	-	-
Operating Transfer Out	<u>414,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>
Cash and Investments, June 30, 2012	<u>\$ 2,327,932</u>	<u>59,804</u>	<u>64,962</u>	<u>232,504</u>	<u>137,544</u>	<u>-</u>	<u>-</u>	<u>56,272</u>

	<u>State Flowthrough</u>	<u>State Direct</u>	<u>Bond Building</u>	<u>Public School Capital Outlay</u>	<u>Capital Improvements</u>	<u>Debt Services</u>	<u>Total</u>
Adjusted, Audited Cash Balance June 30, 2011	55,966	127,812	10,735,790	54	5,606,421	3,507,856	21,480,566
Add:							
2011-2012 Revenues	12,885	121,638	6,763	-	1,801,705	4,191,048	31,504,189
Cash Reclassification of Outstanding Liabilities	275	2,537	-	-	-	-	714,416
Net Loans from Other Funds	213,000	-	-	-	-	-	685,447
Operating Transfer In	<u>37,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414,453</u>
Total Cash and Investments Available	<u>319,403</u>	<u>251,987</u>	<u>10,742,553</u>	<u>54</u>	<u>7,408,126</u>	<u>7,698,904</u>	<u>54,799,071</u>
Less:							
2011-2012 Expenditures	268,011	80,274	8,819,820	-	2,091,975	3,672,188	39,330,943
Net Loans to Other Funds	-	-	-	-	-	-	685,760
Refund to Grantor	1,943	-	-	54	-	-	2,184
Operating Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414,404</u>
Cash and Investments, June 30, 2012	<u>\$ 49,449</u>	<u>171,713</u>	<u>1,922,733</u>	<u>-</u>	<u>5,316,151</u>	<u>4,026,716</u>	<u>14,365,780</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Cash Reconciliation
For the Year Ended June 30, 2012

	Operational	Instructional Materials	Federal Flowthrough	Federal Direct	State and Local Grants
Audited Cash, June 30, 2011	\$ 346,989	22,731	(1,137)	(9,747)	25,338
Add:					
2011-2012 Revenues	1,128,230	7,613	64,722	7,609	-
Reclassification of Held Checks	31,471		227		
Net Loans from Other Funds			33,045		
Operating Transfer In	4,060				
Total Cash Available	<u>1,510,750</u>	<u>30,344</u>	<u>96,857</u>	<u>(2,138)</u>	<u>25,338</u>
Less:					
2011-2012 Expenditures	1,150,291	14,158	96,630	492	9,617
Net Loans to Other Funds	40,209	-	-	-	-
Operating Transfer Out		-	-	1	-
Total Cash, June 30, 2012	<u>\$ 320,250</u>	<u>16,186</u>	<u>227</u>	<u>(2,631)</u>	<u>15,721</u>

	State Flowthrough	Public School Capital Outlay	Capital Improvements	Total
Audited Cash and Investments, June 30, 2011	\$ 2	4,057	(1,233)	387,000
Add:				
2011-2012 Revenues	-	111,896	5,583	1,325,653
Reclassification of Held Checks				31,698
Net Loans from Other Funds	1,175		5,989	40,209
Operating Transfer In				4,060
Total Cash and Investments Available	<u>1,177</u>	<u>115,953</u>	<u>10,339</u>	<u>1,788,620</u>
Less:				
2011-2012 Expenditures	1,174	111,896	10,339	1,394,597
Net Loans to Other Funds	-	-	-	40,209
Refund to Grantor				-
Operating Transfer Out	2	4,057		4,060
Total Cash, June 30, 2012	<u>\$ 1</u>	<u>-</u>	<u>-</u>	<u>352,385</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Pledged Collateral
For the Year Ended June 30, 2012

Primary Governmental Unit - Aztec Schools

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank				
			\$	
	FHLB Note	433866DC1	1,500,000	04/15/2020
	FHLB Note	31393CUSO	60,088	3/25/2033
	FHLB Note	31394BW26	582,579	12/1/2034
	FHLB Note	31394DVM9	78,673	2/25/2034
	FHLB Note	388240DK6	512,660	05/1/2015
	FHLB Note	3136A3KN0	5,307,796	10/25/2040
	FHLB Note	3137AEKW4	1,099,389	3/15/2041
Total Pledged Collateral			\$ 9,141,184	

Component Unit - Mosiac Charter School

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank	FHLB Note	36202D2V2	184,304	12/20/2033

The pledged securities associated Citizens State Bank deposits are held at Federal Home Loan Bank, Dallas insurance.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2012

Primary Government

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
District Administration	\$ 84,553	38,593	41,885	\$ 81,261
Athletic Account - Imprest	-	11,328	2,105	9,223
Vista Nueva High School	803	2,252	3,055	-
Koogler Middle School	58,533	44,980	37,369	66,144
Aztec High School	119,731	221,888	216,650	124,969
McCoy Elementary	14,464	28,620	27,134	15,950
Park Elementary	38,874	48,459	44,583	42,750
Lydia Rippey Elementary	49,400	21,428	20,454	50,374
	<u>\$ 366,358</u>	<u>417,548</u>	<u>393,235</u>	<u>\$ 390,671</u>

District Agency Funds consolidated by school.

Component Unit

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
Cash	\$ 4,720	33,881	31,901	\$ 6,700
Receivables	132	-	132	-
	<u>\$ 4,852</u>	<u>33,881</u>	<u>32,033</u>	<u>\$ 6,700</u>

COMPLIANCE SECTION



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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
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 major special revenue funds, and the aggregate remaining fund information of Aztec Municipal Schools (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 1, 2012. We have also audited the financial statements of each of the District's nonmajor governmental funds, the component unit funds, the combining financial statements for the general fund, and the respective budgetary comparisons for the major capital projects funds, the major 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, 2012, 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

Management of the District is responsible for establishing and maintaining effective 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 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, MA FS 12-01 and MA FS 12-02 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*.

We noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revisions paragraphs 5.14 and 5.16, and section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items FS 12-01, FS 12-02 and FS 12-03.

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 1, 2012

FEDERAL FINANCIAL ASSISTANCE



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, 2012. 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, 2012.

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.

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 1, 2012

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

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)	\$ 411,959
Individuals With Disabilities Act - Entitlement	24106	84.027 (2)	806,427 *
Individuals With Disabilities Act - Preschool	24109	84.173 (2)	31,308 *
Improving Teacher Quality	24154	84.367A	126,596
Title I School Improvement	24162	84.010 (1)	19,607
Individuals With Disabilities Act - Entitlement - ARRA	24206	84.391 (2)	110,187 *
Individuals With Disabilities Act - Preschool - ARRA	24209	84.392 (2)	6,308 *
Direct Assistance			
Indian Education Formula Grant	25184	84.060A	82,291
Education Jobs Fund - ARRA	25255	84.410	8,597
Total Department of Education			<u>1,603,280</u>
<u>Department of Health and Human Services</u>			
Passed through from New Mexico			
Public Education Department			
Education of Homeless - ARRA	24213	84.196	3,165
Total Department of Health and Human Services			<u>3,165</u>
<u>Bureau of Indian Affairs</u>			
Direct programs			
Johnson O'Malley	25131	15.130	19,982
Total Bureau of Indian Affairs			<u>19,982</u>
<u>Department of Agriculture</u>			
National School Lunch Program			
Direct programs			
Food Distribution	21000	10.550 (3)	104,196 *
National School Lunch Act	21000	10.555 (3)	871,569 *
Total Department of Agriculture			<u>975,765</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,602,192</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, 2012

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.

Sub-Recipients

The District did not provide any federal awards to sub-recipients 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, 2012 was \$104,196 and is reported in the Schedule under the Department of Agriculture, CFDA # 10.550.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$2,602,192
Total expenditures funded from other sources	<u>\$35,502,080</u>
Total expenditures	<u>\$38,104,272</u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2012

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?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number	Federal Program
84.027, 84.173, 84.391 and 84.392 10.550 and 10.555	IDEA-B Cluster National School Lunch Program Cluster

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

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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 testwork performed, we identified one disbursement totaling \$684.86 for supplies that was incorrectly recorded to travel and per diem.
- During testwork performed, we noted 8 instances out of 25 totaling \$5,148.20 where the purchase was made before the purchase order was approved.

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. Also, NMAC 6.20.2.17 states that each District shall establish and implement written policies and procedures for purchasing which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

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: For the fiscal year 2012 management did not have proper internal controls designed and implemented to ensure expenditures are being properly authorized prior to the purchase and that transactions are being properly coded in the general ledger.

Auditors' Recommendations: We recommend that the District incorporate mitigating controls to prevent inaccurate recording to the general ledger. We also recommend that management implement a procurement policy in accordance with NMSA 1978 Section 13-1-21 and consistently follow the policy which includes requiring purchase order to be approved prior to purchasing.

Management's Response: The District will investigate the incidents identified by the auditor and determine the cause. As necessary, the District will develop additional procedures to further reduce coding errors. Additionally, training will be provided to staff members involved with the procurement cycle to increase their understanding and purpose of the district procurement policies including the requirement to have purchase orders established prior to purchasing.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 12-01 Procurement Code – Bids – Other Matter

Condition: During our procurement testwork, we noted the following items:

- Two (2) instance out of five (5) where the bids were not properly accompanied by the Campaign Contribution Disclosure Form.

Criteria: According to 2006 New Mexico Statutes Annotated section 13-1-200, effective May 17, 2006, Chapter 81, Laws of 2006 requires any prospective contractor seeking to enter into a contract with any state agency or local public body to file a “Campaign Contribution Disclosure Form” with that state agency or local public body. Additionally, according to Section 13-1-1 to 13-1-199 NMSA 1978 and 2009 State Audit Rule 2.2.2.10 H, regarding the procurement code, in particular Section 13-1-21, application of preferences bids received from resident business shall be awarded to the lowest vendor or the bid nearest to the bid price.

Effect: It is not evident whether or not the bidding contractor contributed to a campaign of a board member or official of the District.

Cause: The District does not have the appropriate controls in place to verify that all necessary information for the bids is properly completed and that the bids are properly awarded.

Auditors’ Recommendations: We recommend the District implement a system of internal controls in order to verify that bid files are complete and are properly awarded.

Management’s Response: The District will develop procedures to ensure the Campaign Contribution Disclosure Form is obtained in accordance with New Mexico State Statutes.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 12-02 — Cash Appropriations in Excess of Available Cash Balances – Other Matter

Condition: The District’s designated cash appropriations in excess of available balances in the following funds:

General Transportation Fund	\$ 346
Athletics Special Revenue Fund	35,139
Bond Building Capital Projects Fund	149,985
Total appropriations in excess of available cash balances	<u>\$ 185,470</u>

Criteria: Section 2.2.2.10.(P)(1), NMAC, requires all School District funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances re-budgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior period.

Effect: The effect of a budget with inadequate designated cash available to cover the excess of budgeted expenditures over budgeted revenue could result in the District incurring debt to pay for current year budgeted expenditures, which would result in noncompliance with the Bateman Act.

Cause: Inadequate monitoring of cash available to be budgeted in subsequent year caused this noncompliance.

Auditors’ Recommendation: Greater attention should be given throughout the year to the cash balances actually available to cover budgeted revenues, which include proper monitoring of yearend cash balances.

Management’s Response: The District will more closely monitor the budget and ensure it correctly reflects the available resources, including cash carryover, necessary to fund budgeted expenditures.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 12-03 — Capital Assets – Other Matter

Condition: During the capital asset inventory procedures, we noted the following issues:

- The District omitted 1 asset from their capital asset listing and improperly included them as repairs and maintenance in the amount of \$29,919.

Criteria: Section 2.2.2.10.Y(2), NMAC, requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

Effect: The District's capital asset listing may have capital assets that do not exist or there may be capital assets omitted that should be on the capital asset inventory, all of which may result in a material misstatement on the government wide financial statement.

Cause: During the reconciliation for capital assets, there was an oversight by management when reviewing the repair and maintenance expenses for possible capital asset additions, resulting in one item being excluded from the capital asset listing.

Auditors' Recommendation: The District must formalize its policies with regards to the required capital assets yearly inventory count and ensure that a proper count of movable chattels and equipment takes place every year. The District must also incorporate internal controls to ensure that capital asset detail reports are accurate and complete.

Management's Response: The District will more closely monitor the coding of purchases to ensure proper coding. The District will review the annual inventory procedures ensuring these procedures will result in the maintaining of accurate inventory records.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

Component Unit

MA FS 12-01 — Internal Control over Cash Disbursements – Significant Deficiency

Condition: During our process of gaining an understanding of the School's controls over disbursements and our testwork of disbursements, we noted the following items:

- No review is being performed for changes to the vendor master files
- Employee of the School was double reimbursed for purchase made on personal credit card resulting in overpayment of \$77.25 from federal funding.

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

Effect: The School did not comply with NMSA 1978 Section 13-1-21 and NMAC 6.20.2.17. In addition, the proper disbursement internal controls were not properly monitored which can lead to errors or fraud not being detected or corrected in a timely manner.

Cause: The School did not maintain necessary monitoring of the disbursement process, and failed to follow disbursement internal controls when processing checks for reimbursements.

Auditors' Recommendation: We recommend the School implement a procurement policy in accordance with NMSA 1978 Section 13-1-21, that monitors the employee reimbursements, and ensures that proper authorization is being performed before transactions are executed. Also, we recommend that the School develop a policy for performing frequent and timely reviews of the vendor master files.

Management's Response: Periodically, vendor change logs in the Visions System will be pulled and reviewed by someone other than the person responsible for setting up vendors. A signed copy will be in a file readily available for audit review at year's end. The school is in the process of obtaining a P-card to eliminate the use of personal credit card for purchases. Until such time as this is available all reimbursable purchases will be tracked by item. A list of items will be kept with the original PO and items checked off and dated as they are paid for.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

MA FS 12-02 Lack of Internal Control Processes for Payroll – Significant Deficiency

Condition: During review of check endorsements, we noted the following deficiency:

- 4 out of 5 payroll transactions tested, the employee file did not contain the necessary documents and support as required by School policy.
- No review is being performed for changes to the employee master files.

Criteria: Segregation of duties in payroll, review of employee stipends, and monitoring contractors employed by the District, as indicated in NMSA 1978 Section 6-6-3 is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

Effect: The internal controls over the payroll process were not monitored, resulting in possible IRS penalties, the creation of fictitious employees within the accounting software, or unapproved leave or salary adjustments that could go undetected or uncorrected.

Cause: The School did not adequately monitor the documentation included in employee files, and failed to implement an internal control policy for monitoring the employee master files within the accounting software.

Auditors' Recommendations: The School needs to comply with their internal control process in regards to records retained in the employee files. In addition, the School needs to develop a policy for performing frequent and timely reviews of the employee master files.

Management's Response: All files have been reviewed and missing documents have been added. Our procedure for any new employees requires a packet of documents to be completed for the files. The required documents are all in the packet. Periodically, change loges in the Visions System for the employee master file will be pulled and reviewed by someone other than the person responsible for setting up the employee files. A signed copy will be in a file readily available for audit review at year's end.

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

C. FINDINGS - FEDERAL AWARDS

None

D. PRIOR YEAR AUDIT FINDINGS

Primary Government

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

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

FA 11-01 Excluded Parties List – Significant Deficiency – (Resolved)

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

Component Unit

None

STATE OF NEW MEXICO
Aztec Municipal Schools
Other Disclosures
For the Year Ended June 30, 2012

OTHER DISCLOSURES

Exit Conference

The contents of this report were discussed on October 30, 2012. The following individuals were in attendance.

Primary Government

Kirk Carpenter - Superintendent
Christy Lillywhite – Board Member
Ryan Manning - Director of Finance
Gary Martinez - Comptroller
Jeanette McCoy –Parent

Accounting & Consulting Group, LLP

Robert Cordova, CPA - Manager
Kyle Reeves - Senior Accountant

Component Unit

Marti Kirchmer - Board Member
Bonnie Braden - Principal
Nancy Ross – Contract Business Manager
Jen Hurst – G.C. President