

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2011

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

 KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**OFFICIAL ROSTERS
June 30, 2011**

BOARD OF EDUCATION

Annette Johnson	Board President
Ronald Anderson	Board Vice-President
Valerie Garcia	Board Secretary
Robyn Christy Parris	Board Member
Robert H. Potter	Board Member

SCHOOL OFFICIALS

James Gallegos	Superintendent
Lita Sanchez	Business Manager

AUDIT COMMITTEE

Ronald Anderson	Board Vice-President
Valerie Garcia	Board Secretary
Donna Archuleta	Financial Professional
James Gallegos	Superintendent
Lita Sanchez	Business Manager

FINANCE COMMITTEE

Annette Johnson	Board President
Ronald Anderson	Board Vice-President
Donna Archuleta	Financial Professional
James Gallegos	Superintendent
Lita Sanchez	Business Manager
Lawana Whitten	School Business Official

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FINANCIAL SECTION

FISCAL YEAR 2011

JULY 1, 2010 THROUGH JUNE 30, 2011

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INDEPENDENT AUDITOR'S REPORT

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KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Fax (505) 566-1911

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
And the Board of Education of
Cimarron Municipal School District No. 3

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2011, which collectively comprise Cimarron Municipal School District No. 3's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cimarron Municipal School District No. 3's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Cimarron Municipal School District No. 3's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Cimarron Municipal School District No. 3, as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Cimarron Municipal School District No. 3 as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Fax (505) 566-1911

Hector H. Balderas, State Auditor
And the Board of Education of
Cimarron Municipal School District No. 3

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2011, on our consideration of the Cimarron Municipal School District No. 3'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 conjunction with this report in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A- 133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



August 31, 2011

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET ASSETS

June 30, 2011

	Primary Government	Component Unit
	<u>Governmental Activities</u>	<u>Moreno Valley High School</u>
ASSETS		
Cash and cash equivalents	\$ 5,032,401	\$ 354,869
Receivables:		
Delinquent property taxes receivable	2,055,168	-
Grant	102,666	-
Due from other governments	83,923	-
Deferred bond issuance costs	1,467	-
USDA commodities inventory	1,735	-
Food inventory	422	-
Non-current:		
Non-depreciable assets	1,065,301	300,000
Depreciable capital assets, net	13,975,525	2,265,151
Total assets	22,318,608	2,920,020
LIABILITIES		
Accounts payable	228,730	5,270
Accrued salaries	-	24,423
Accrued interest	5,578	247
Deferred grant revenue	26,747	-
Noncurrent liabilities:		
Due within one year	525,174	56,410
Due in more than one year	-	49,018
Total liabilities	786,229	135,368
NET ASSETS		
Invested in capital assets, net of related debt	16,481,115	2,459,723
Restricted for:		
Inventories	2,157	
Special revenue funds	79,960	1,881
Capital projects	3,811,081	35,431
Debt service	666,542	-
Unrestricted	491,524	287,617
Total net assets	\$ 21,532,379	\$ 2,784,652

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
Primary government:						
Governmental activities:						
Instruction	\$ 2,864,377	\$ 9,250	\$ 455,953	\$ 22,557	\$ (2,376,617)	\$ -
Support Services - Students	810,281	10,527	128,981	6,380	(664,393)	-
Support Services - Instruction	74,321	-	11,830	585	(61,906)	-
Support Services - General Administration	320,257	-	50,979	2,522	(266,756)	-
Support Services - School Administration	217,077	-	34,554	1,709	(180,814)	-
Central Services	79,366	-	12,634	-	(66,732)	-
Operations & Maintenance of Plant	1,369,001	-	217,918	-	(1,151,083)	-
Student Transportation	531,747	-	285,552	-	(246,195)	-
Other Support Services	6,152	-	979	-	(5,173)	-
Food Services	207,576	33,851	136,090	-	(37,635)	-
Bond interest paid	<u>30,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,419)</u>	<u>-</u>
Total governmental activities	<u>\$ 6,510,574</u>	<u>\$ 53,628</u>	<u>\$ 1,335,470</u>	<u>\$ 33,753</u>	<u>(5,087,723)</u>	<u>-</u>
Component unit:						
Moreno Valley High School	<u>\$ 1,148,749</u>	<u>\$ 66,310</u>	<u>\$ 44,644</u>	<u>\$ 268,697</u>		<u>(769,098)</u>
General revenues:						
Property Taxes:						
General purposes					152,652	-
Debt service					1,110,559	-
Capital projects					2,102,302	-
Grants and contributions not restricted					3,675,880	887,989
Unrestricted investment earnings					1,843	-
Miscellaneous income					<u>-</u>	<u>33,786</u>
Total general revenues					<u>7,043,236</u>	<u>921,775</u>
Change in net assets					1,955,513	152,677
Net assets - beginning					<u>19,576,866</u>	<u>2,631,975</u>
Net assets - ending					<u>\$ 21,532,379</u>	<u>\$ 2,784,652</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	General Fund	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and investments	\$ 358,049	\$ 1,276,017	\$ 2,304,924	\$ 615,911	\$ 477,500	\$ 5,032,401
Receivables:						
Delinquent property taxes	4,816	149,426	101,368	1,694,002	105,556	2,055,168
Grant	-	-	-	-	102,666	102,666
Due from other governments	4,333	32,004	22,480	25,106	-	83,923
Due from other funds	129,106	-	-	-	-	129,106
USDA commodities inventory	-	-	-	-	1,735	1,735
Food inventory	-	-	-	-	422	422
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 496,304</u>	<u>\$ 1,457,447</u>	<u>\$ 2,428,772</u>	<u>\$ 2,335,019</u>	<u>\$ 687,879</u>	<u>\$ 7,405,421</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 4,780	\$ -	\$ 217,898	\$ -	\$ 6,052	\$ 228,730
Due to other funds	-	-	-	-	129,106	129,106
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	26,747	26,747
Delinquent property taxes	-	114,913	76,886	1,672,219	105,556	1,969,574
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>4,780</u>	<u>114,913</u>	<u>294,784</u>	<u>1,672,219</u>	<u>267,461</u>	<u>2,354,157</u>
Fund balance:						
Non-spendable:						
Inventories	-	-	-	-	2,157	2,157
Restricted for:						
Special revenue funds	-	-	-	-	79,960	79,960
Capital projects funds	-	1,342,534	2,133,988	-	334,559	3,811,081
Debt service	-	-	-	662,800	3,742	666,542
Unassigned	491,524	-	-	-	-	491,524
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>491,524</u>	<u>1,342,534</u>	<u>2,133,988</u>	<u>662,800</u>	<u>420,418</u>	<u>5,051,264</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 496,304</u>	<u>\$ 1,457,447</u>	<u>\$ 2,428,772</u>	<u>\$ 2,335,019</u>	<u>\$ 687,879</u>	<u>\$ 7,405,421</u>

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

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**RECONCILIATION OF THE BALANCE SHEET - ALL
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2011**

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

Fund balances - total governmental funds	\$	5,051,264
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		23,658,538
Accumulated depreciation		(8,617,712)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		1,969,574
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(525,000)
Accrued interest payable		(5,578)
Bond issue costs		1,467
Bond premiums		<u>(174)</u>
Net assets of governmental activities	\$	<u>21,532,379</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	General Fund	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
Revenues:						
Federal sources:						
Forest reserve	\$ 7,434	\$ -	\$ -	\$ -	\$ -	\$ 7,434
Federal flowthrough grants	2,232	-	-	-	296,140	298,372
Federal direct grants	-	-	-	-	299,577	299,577
Food and milk reimbursements	-	-	-	-	127,545	127,545
USDA Commodities	-	-	-	-	8,545	8,545
State sources:						
State equalization guarantee	3,667,189	-	-	-	-	3,667,189
Transportation	285,552	-	-	-	-	285,552
State instructional material	16,726	-	-	-	-	16,726
State grant	273,495	-	27,066	-	6,647	307,208
Local sources:						
Grant	-	-	-	-	18,400	18,400
District school tax levy	156,469	1,229,078	878,055	772,072	2,069	3,037,743
Fees and activities	9,250	-	-	-	44,378	53,628
Earnings from investments	1,655	2,547	3,361	437	967	8,967
Miscellaneous	-	-	3,393	-	-	3,393
Total revenue	\$ 4,420,002	\$ 1,231,625	\$ 911,875	\$ 772,509	\$ 804,268	\$ 8,140,279

(continued)

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	General Fund	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
Expenditures:						
Current:						
Instruction	\$ 2,198,887	\$ -	\$ -	\$ -	\$ 360,725	\$ 2,559,612
Support Services:						
Students	532,844	-	-	-	191,224	724,068
Instruction	17,777	-	-	-	48,636	66,413
General Administration	208,088	10,700	7,736	6,740	52,918	286,182
School Administration	190,989	-	-	-	2,991	193,980
Central Services	70,922	-	-	-	-	70,922
Operation & Maintenance of Plant	523,576	-	545,356	-	154,409	1,223,341
Student Transportation	475,170	-	-	-	-	475,170
Other Support Services	5,497	-	-	-	-	5,497
Food Services Operations	1,833	-	-	-	183,657	185,490
Capital outlay	-	1,185,308	465,939	-	-	1,651,247
Debt service:						
Principal retirement	-	-	-	625,000	-	625,000
Bond interest paid	-	-	-	35,593	-	35,593
Total expenditures	<u>4,225,583</u>	<u>1,196,008</u>	<u>1,019,031</u>	<u>667,333</u>	<u>994,560</u>	<u>8,102,515</u>
Excess (deficiency) of revenues over expenditures	194,419	35,617	(107,156)	105,176	(190,292)	37,764
Other financing uses:						
Other out	-	-	-	-	(2,136)	(2,136)
Net change in fund balance	194,419	35,617	(107,156)	105,176	(192,428)	35,628
Fund balance at beginning of the year	<u>297,105</u>	<u>1,306,917</u>	<u>2,241,144</u>	<u>557,624</u>	<u>612,846</u>	<u>5,015,636</u>
Fund balance at end of the year	<u>\$ 491,524</u>	<u>\$ 1,342,534</u>	<u>\$ 2,133,988</u>	<u>\$ 662,800</u>	<u>\$ 420,418</u>	<u>\$ 5,051,264</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

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

Net change in fund balance - total governmental funds	\$	35,628
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>		
Capital outlay		1,651,247
Depreciation		(689,480)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
<p style="padding-left: 20px;">Deferred property taxes at:</p>		
June 30, 2010		(1,641,804)
June 30, 2011		1,969,574
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Current year principal payments		625,000
Issuance cost amortization		(1,467)
Bond premium amortization		174
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
<p style="padding-left: 20px;">Accrued interest at:</p>		
June 30, 2010		12,219
June 30, 2011		<u>(5,578)</u>
Change in net assets of governmental activities	\$	<u>1,955,513</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Forest reserve	\$ 10,247	\$ 10,247	\$ 7,434	\$ (2,813)
Federal grant	-	2,232	2,232	-
State sources:				
State equalization guarantee	3,756,062	3,647,458	3,667,188	19,730
Transportation	545,173	475,690	285,552	(190,138)
State instructional material	14,190	14,190	16,726	2,536
State grant	137,108	137,108	273,495	136,387
Local sources:				
District school tax levy	177,655	177,655	159,846	(17,809)
Fees and activities	6,000	6,000	5,229	(771)
Earnings from investments	900	900	1,656	756
Total revenues	<u>4,647,335</u>	<u>4,471,480</u>	<u>4,419,358</u>	<u>(52,122)</u>
(continued)				
Expenditures:				
Current:				
Instruction	2,575,844	2,456,229	2,198,410	257,819
Support Services:				
Students	434,808	549,905	532,844	17,061
Instruction	17,999	18,026	17,777	249
General Administration	209,705	215,157	208,808	6,349
School Administration	237,184	192,616	190,989	1,627
Central Services	71,620	71,749	70,922	827
Operation & Maintenance of Plant	621,978	551,105	524,858	26,247
Student Transportation	545,173	475,690	475,170	520
Other Support Services	18,970	24,949	5,497	19,452
Food Services Operations	-	2,000	1,833	167
Total expenditures	<u>4,733,281</u>	<u>4,557,426</u>	<u>4,227,108</u>	<u>330,318</u>
Excess (deficiency) of revenues over expenditures	(85,946)	(85,946)	192,250	278,196
Beginning cash balance budgeted	85,946	85,946	-	(85,946)
Fund balance at beginning of the year	-	-	297,105	297,105
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	489,355	<u>\$ 489,355</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(2,441)	
Change in due from other governments			(733)	
Change in payables			1,526	
Change in deferred property taxes			<u>3,817</u>	
			<u>\$ 491,524</u>	

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2011

ASSETS

Pooled cash and investments	\$ <u>102,626</u>
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LIABILITIES

Deposits held for others	\$ <u>102,626</u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cimarron Municipal School District (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Villages of Cimarron, New Mexico, Eagle Nest, New Mexico, Angel Fire, New Mexico, and the surrounding areas. 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 District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

As required by GAAP, these financial statements present the District (primary government) and its component units. The component units discussed below are included in the District's reporting because of the significance of their operational or financial relationships with the District in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District has one component unit reported as a discretely presented component unit. Moreno Valley High School is closely related to Cimarron Municipal Schools and is the financial responsibility of Cimarron Municipal Schools. The component unit each have separately issued reports which can be obtained at:

Moreno Valley High School
56 Camino Grande
P.O. Box 1037
Angel Fire, NM 87710

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

The summary of significant accounting policies of the District is presented to assist in the understanding of the Association's financial statements. The financial statements and notes are the representation of Cimarron Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectable amounts, 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund – 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.

Capital Improvements HB-33 Capital Assets Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

Capital Improvements SB-9 Capital Assets Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Ed Tech Debt Service Fund – Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

Additionally, the government reports the following fund types:

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

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Funds – Fiduciary Funds are agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

The School District’s property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, HB – 33 Capital Improvements Fund , SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. *Inventories*

USDA Commodity and food inventories are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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>
Buildings	25-50
Building improvements	7-20
Vehicles	5
Office equipment	5
Computer equipment	5

5. *Compensated absences*

Accrued and unused annual leave is not paid at the termination of an employee's contract. Accrued sick and unused sick leave is paid to employees who terminate their employment and where employed prior to 1999. The number of employees that are eligible for this payout is minimal and the accrual was not reported in these financial statements.

6. *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. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

1. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

2. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

3. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2011.

4. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2011.

5. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted 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. The portion of the debt attributable to the unspent proceeds is not to be included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted."

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

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *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.

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$3,667,189 in state equalization guarantee distributions during the year ended June 30, 2011.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$380,621 in transportation distributions during the year ended June 30, 2011.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

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

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2011

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2011 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Cimarron Municipal School District No. 3 to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,733,281	\$ 4,557,426
Special Revenue Fund	363,287	1,040,758
Debt Service Fund	6,409,991	6,421,668
Capital Projects Fund	1,124,621	1,125,355
Totals	\$ 12,631,180	\$ 13,145,207

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2011.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2011.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2011, the carrying amount of the District's deposits was \$5,135,027 and the bank balance was \$5,474,481 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$3,020,975 was covered by collateral held in joint safekeeping by a third party.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2011, \$2,203,506 of the District's bank balance of \$5,474,481 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$ 2,203,506
Uninsured and collateral held by pledging bank's trust dept not in the city's name	<u>3,020,975</u>
Total uninsured	5,224,481
Insured (FDIC)	<u>250,000</u>
Total deposits	<u>\$ 5,474,481</u>
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ 2,612,241
Pledged security	<u>3,020,975</u>
Over collateralization	<u>\$ 408,734</u>

The collateral pledged is listed on Page 114 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
 June 30, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	Capital Improvements <u>HB-33</u>	Capital Improvements <u>SB-9</u>	Education Technology <u>Debt Service</u>	Other Governmental <u>Funds</u>
Receivables:					
Delinquent property taxes	\$ 4,816	\$ 149,426	\$ 101,368	\$ 1,694,002	\$ 105,556
Grant	-	-	-	-	102,666
Due from other:					
Governments	<u>4,333</u>	<u>32,004</u>	<u>22,480</u>	<u>25,106</u>	<u>-</u>
Total	<u>\$ 9,149</u>	<u>\$ 181,430</u>	<u>\$ 123,848</u>	<u>\$ 1,719,108</u>	<u>\$ 208,222</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 26,747
Delinquent property taxes		
General Fund	-	-
Capital Improvements HB-33	114,913	-
Capital Improvements SB-9	76,886	-
Education Technology Debt Service	1,672,219	-
Other Governmental Funds	<u>105,556</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 1,969,574</u>	<u>\$ 26,747</u>

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,041,046	\$ -	\$ -	\$ -	\$ 1,041,046
Construction in progress	<u>-</u>	<u>24,255</u>	<u>-</u>	<u>-</u>	<u>24,255</u>
Total capital assets, not being depreciated	<u>\$ 1,041,046</u>	<u>\$ 24,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,065,301</u>
Capital assets, being depreciated:					
Land improvements	\$ 190,807	\$ 340,674	\$ -	\$ 296,670	\$ 828,151
Buildings and improvements	16,880,989	1,003,867	-	364,503	18,249,359
Furniture, fixtures, and equipment	<u>3,894,449</u>	<u>282,451</u>	<u>-</u>	<u>(661,173)</u>	<u>3,515,727</u>
Total capital assets being depreciated	<u>20,966,245</u>	<u>1,626,992</u>	<u>-</u>	<u>-</u>	<u>22,593,237</u>
Less accumulated depreciation for:					
Land improvements	(53,656)	(43,593)	-	(10,157)	(107,406)
Buildings and improvements	(6,018,277)	(426,106)	-	(24,039)	(6,468,422)
Furniture, fixtures, and equipment	<u>(1,856,299)</u>	<u>(219,781)</u>	<u>-</u>	<u>34,196</u>	<u>(2,041,884)</u>
Total accumulated depreciation	<u>(7,928,232)</u>	<u>(689,480)</u>	<u>-</u>	<u>-</u>	<u>(8,617,712)</u>
Total capital assets being depreciated, net	<u>\$ 13,038,013</u>	<u>\$ 937,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,975,525</u>

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 304,765
Support Services - Students	86,213
Support Services - Instruction	7,908
Support Services - General Administration	34,075
Support Services - School Administration	23,097
Central Services	8,444
Operations & Maintenance of Plant	145,660
Student Transportation	56,577
Other Support Services	655
Food Services	<u>22,086</u>
Total Depreciation Expense	<u>\$ 689,480</u>

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
 June 30, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Construction commitments

The Cimarron Municipal School District No. 3 has not received any funds from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2011.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$3,811,081 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2011 were:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 129,106	\$ -
Other governmental funds:		
Entitlement IDEA-B	-	40,239
Preschool IDEA-B	-	3,202
Teacher /Prinipal Training	-	13,972
ARRA - Preschool IDEA-B	-	2,587
ARRA - State Revitalization	-	67,000
GO Bond Libray	-	2,106
Total	\$ 129,106	\$ 129,106

E. Inter-Fund Transfers

There were not any inter-fund transfers made during the year ended June 30, 2011.

F. Transfer to Component Unit

There was a transfer of \$2,136 to Moreno Valley High School during the year ended June 30, 2011. The transfer was for funds received by the District in the prior year that were intended for the component unit.

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt

The details of the bonds and notes as of June 30, 2011 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2011</u>	<u>Amount Due Within One Year</u>
Series	2006	\$ 1,750,000	4.25%	\$ 525,000	\$ 525,000

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 525,000	\$ 11,156	\$ 536,156

Changes in long term debt – During the year ended June 30, 2011 the following changes occurred in liabilities:

	<u>Prior Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Current Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable	\$ 1,150,000	\$ -	\$ 625,000	\$ 525,000	\$ 525,000

	<u>Balance June 30, 2011</u>
Bonds payable	\$ 525,000
Less: current maturities	(525,174)
Unamortized:	
Bond premiums	174
Total non-current liabilities	<u>\$ -</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2011.

B. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

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

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to the ERB for the years ended June 30, 2011, 2010 and 2009 were \$327,205, \$386,784, and \$365,083., respectively, equal to the amount of the required contribution for the year.

D. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description – Cimarron Municipal School District No. 3 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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement;
- 2) retirees defined by the Act who retired prior to July 1, 1990;
- 3) former legislators who served at least two years; and
- 4) former governing authority members who served at least four years.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2011-2012	1.834%	0.917%
2012-2013	2.000%	1.000%

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Cimarron Municipal School District No. 3’s contributions to the RHCA for the years ended June 30, 2011, 2010, and 2009 were \$43,109, \$40,321, and \$41,109, respectively, which equal the required contributions for each year.

E. Cash Flows

The District federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District’s ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District’s financial operations in subsequent years.

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION (continued)

F. Joint Powers Agreement

Participants:	Cimarron Municipal School District No. 3 Village of Cimarron
Operation Responsibility:	Both parties.
Description:	For the purposes of constructing, maintaining, and operating a heliport for the public in Cimarron. Cimarron Municipal School District No. 3 is responsible for providing electricity, maintaining lighting, and mowing the grass. The Village of Cimarron will be the fiscal agent of the facility and will construct the facility and maintain the surrounding roads.
Period:	January 1, 2010 through December 31, 2039
Project Cost:	Cimarron Municipal Schools agrees to provide location and pay for electricity and maintenance of the grounds.
Association Contributions:	Annually: Undetermined.
Audit Responsibility:	Village of Cimarron
Reporting Responsibility:	Revenues are collected and recorded by the Village and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUNDS
June 30, 2011

OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
 Combining Balance Sheet
 June 30, 2011

	General Funds			Total General Funds
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
ASSETS				
Pooled cash and investments	\$ 325,105	\$ 520	\$ 32,424	\$ 358,049
Receivables:				
Delinquent property taxes	4,816	-	-	4,816
Due from other governments	4,333	-	-	4,333
Due from other funds	129,106	-	-	129,106
 Total assets	 \$ 463,360	 \$ 520	 \$ 32,424	 \$ 496,304
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 4,704	\$ -	\$ 76	\$ 4,780
Fund balance:				
Unassigned	458,656	520	32,348	491,524
 Total liabilities and fund balance	 \$ 463,360	 \$ 520	 \$ 32,424	 \$ 496,304

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Federal sources:				
Forest reserve	\$ 7,434	\$ -	\$ -	\$ 7,434
Federal flowthrough grants	2,232	-	-	2,232
State sources:				
State equalization guarantee	3,667,189	-	-	3,667,189
Transportation	-	285,552	-	285,552
State instructional material	-	-	16,726	16,726
State grant	273,495	-	-	273,495
Local sources:				
District school tax levy	156,469	-	-	156,469
Fees and activities	9,250	-	-	9,250
Earnings from investments	<u>1,655</u>	<u>-</u>	<u>-</u>	<u>1,655</u>
Total revenue	<u>4,117,724</u>	<u>285,552</u>	<u>16,726</u>	<u>4,420,002</u>
 (continued)				
Expenditures:				
Current:				
Instruction	2,194,262	-	4,625	2,198,887
Support Services:				
Students	532,844	-	-	532,844
Instruction	17,777	-	-	17,777
General Administration	208,088	-	-	208,088
School Administration	190,989	-	-	190,989
Central Services	70,922	-	-	70,922
Operation & Maintenance of Plant	523,576	-	-	523,576
Student Transportation	-	475,170	-	475,170
Other Support Services	5,497	-	-	5,497
Food Services Operations	<u>1,833</u>	<u>-</u>	<u>-</u>	<u>1,833</u>
Total expenditures	<u>3,745,788</u>	<u>475,170</u>	<u>4,625</u>	<u>4,225,583</u>
Excess (deficiency) of revenues over expenditures	371,936	(189,618)	12,101	194,419
Fund balance at beginning of the year	<u>86,720</u>	<u>190,138</u>	<u>20,247</u>	<u>297,105</u>
Fund balance at end of the year	<u>\$ 458,656</u>	<u>\$ 520</u>	<u>\$ 32,348</u>	<u>\$ 491,524</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OPERATIONAL FUND

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Forest reserve	\$ 10,247	\$ 10,247	\$ 7,434	\$ (2,813)
Federal grant	-	2,232	2,232	-
State sources:				
State equalization guarantee	3,756,062	3,647,458	3,667,188	19,730
State grant	137,108	137,108	273,495	136,387
Local sources:				
District school tax levy	177,655	177,655	159,846	(17,809)
Fees and activities	6,000	6,000	5,229	(771)
Earnings from investments	900	900	1,656	756
Total revenues	4,087,972	3,981,600	4,117,080	135,480
Expenditures:				
Current:				
Instruction	2,561,654	2,442,039	2,193,861	248,178
Support Services:				
Students	434,808	549,905	532,844	17,061
Instruction	17,999	18,026	17,777	249
General Administration	209,705	215,157	208,808	6,349
School Administration	237,184	192,616	190,989	1,627
Central Services	71,620	71,749	70,922	827
Operation & Maintenance of Plant	621,978	551,105	524,858	26,247
Other Support Services	18,970	24,949	5,497	19,452
Food Services Operations	-	2,000	1,833	167
Total expenditures	4,173,918	4,067,546	3,747,389	320,157
Excess (deficiency) of revenues over expenditures	(85,946)	(85,946)	369,691	455,637
Beginning cash balance budgeted	85,946	85,946	-	(85,946)
Fund balance at beginning of the year	-	-	86,720	86,720
Fund balance at end of the year	\$ -	\$ -	456,411	\$ 456,411
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(2,441)	
Change in due from other governments			(733)	
Change in payables			1,602	
Change in deferred property taxes			3,817	
			\$ 458,656	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 545,173	\$ 475,690	\$ 285,552	\$ (190,138)
Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>545,173</u>	<u>475,690</u>	<u>475,170</u>	<u>520</u>
Excess (deficiency) of revenues over expenditures	-	-	(189,618)	(189,618)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>190,138</u>	<u>190,138</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	520	<u>\$ 520</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 520</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 14,190	\$ 14,190	\$ 16,726	\$ 2,536
Expenditures:				
Current:				
Instruction	14,190	14,190	4,549	9,641
Excess of revenues over expenditures	-	-	12,177	12,177
Fund balance at beginning of the year	-	-	20,247	20,247
Fund balance at end of the year	\$ -	\$ -	32,424	\$ 32,424
RECONCILIATION TO GAAP BASIS:				
Change in payables			(76)	
			\$ 32,348	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

Special Revenue Funds

	Food Service Fund #21000	Athletics Fund #22000	Title I Fund #24101	Entitlement IDEA-B Fund #24106	Discretionary IDEA-B Fund #24107	Preschool IDEA-B Fund #24109	Title II (Math/Science) Fund #24115	Title II Teacher Quality Fund #24154
ASSETS								
Pooled cash and investments	\$ 840	\$ 1,704	\$ 23,525	\$ (24,485)	\$ 1,783	\$ -	\$ 794	\$ -
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Grant	-	-	-	64,724	-	3,202	-	13,972
USDA commodities inventory	1,735	-	-	-	-	-	-	-
Food inventory	<u>422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,997</u>	<u>\$ 1,704</u>	<u>\$ 23,525</u>	<u>\$ 40,239</u>	<u>\$ 1,783</u>	<u>\$ 3,202</u>	<u>\$ 794</u>	<u>\$ 13,972</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	40,239	-	3,202	-	13,972
Deferred revenue:								
Federal, state, and local grants	<u>-</u>	<u>-</u>	<u>23,525</u>	<u>-</u>	<u>1,783</u>	<u>-</u>	<u>794</u>	<u>-</u>
Delinquent property taxes	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>23,525</u>	<u>40,239</u>	<u>1,783</u>	<u>3,202</u>	<u>794</u>	<u>13,972</u>
Fund balance:								
Non-spendable:								
Inventories	2,157	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	840	1,704	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total fund balance	<u>2,997</u>	<u>1,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 2,997</u>	<u>\$ 1,704</u>	<u>\$ 23,525</u>	<u>\$ 40,239</u>	<u>\$ 1,783</u>	<u>\$ 3,202</u>	<u>\$ 794</u>	<u>\$ 13,972</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

Special Revenue Funds

	Title IV Drug Free Schools Fund #24157	ARRA - Title I Fund #24201	ARRA - Preschool IDEA- B Fund #24209	ARRA - Education Stabilization Fund #24290	Title XIX Medicaid Fund #25153	Teacher Quality Enhancement Fund #25214	Rural Education Achievement Program Fund #25233
ASSETS							
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217	\$ (13,546)
Receivables:							
Delinquent property taxes	-	-	-	-	-	-	-
Grant	-	-	2,587	-	2,530	-	13,546
USDA commodities inventory	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,587</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 217</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,530	\$ -	\$ -
Due to other funds	-	-	2,587	-	-	-	-
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	217	-
Delinquent property taxes	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,587</u>	<u>-</u>	<u>2,530</u>	<u>217</u>	<u>-</u>
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,587</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 217</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

Special Revenue Funds

	ARRA - State Revitalization Fund #25250	Education Jobs Fund #25255	Turner Foundation Fund #26156	A Plus for Energy Fund #26179	Dual Credit Instructional Mataterials Fund #27103	GO Bond Library Fund #27105	Library GO Bonds 2010 Fund #27106
ASSETS							
Pooled cash and investments	\$ 67,428	\$ -	\$ 28,091	\$ 1,567	\$ -	\$ 1	\$ -
Receivables:							
Delinquent property taxes	-	-	-	-	-	-	-
Grant	-	-	-	-	-	2,105	-
USDA commodities inventory	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 67,428</u>	<u>\$ -</u>	<u>\$ 28,091</u>	<u>\$ 1,567</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	67,000	-	-	-	-	2,106	-
Deferred revenue:							
Federal, state, and local grants	428	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-
	<u>67,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,106</u>	<u>-</u>
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	-	-	28,091	1,567	-	-	-
Capital projects funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>28,091</u>	<u>1,567</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>28,091</u>	<u>1,567</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 67,428</u>	<u>\$ -</u>	<u>\$ 28,091</u>	<u>\$ 1,567</u>	<u>\$ -</u>	<u>\$ 2,106</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds						
	Technology for Education Fund #27117	Incentives for School Improvement Fund #27138	State School Improvement Fund #27143	Mid-School Tutoring & Student Enhance Fund #27153	Beginning Teacher Mentoring Fund #27154	Breakfast for Elementary Students Fund #27155	Library Books Fund #27549
ASSETS							
Pooled cash and investments	\$ 11,340	\$ 14,559	\$ 1,075	\$ 5,996	\$ 2,197	\$ 2,603	\$ 1,510
Receivables:							
Delinquent property taxes	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 11,340</u>	<u>\$ 14,559</u>	<u>\$ 1,075</u>	<u>\$ 5,996</u>	<u>\$ 2,197</u>	<u>\$ 2,603</u>	<u>\$ 1,510</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ 1,391	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	11,340	13,168	1,075	5,996	2,197	2,603	1,510
Capital projects funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total fund balance	<u>11,340</u>	<u>13,168</u>	<u>1,075</u>	<u>5,996</u>	<u>2,197</u>	<u>2,603</u>	<u>1,510</u>
Total liabilities and fund balance	<u>\$ 11,340</u>	<u>\$ 14,559</u>	<u>\$ 1,075</u>	<u>\$ 5,996</u>	<u>\$ 2,197</u>	<u>\$ 2,603</u>	<u>\$ 1,510</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds					
	NM Arts Div <u>Fund #28131</u>	Center for Teaching Excellence <u>Fund #28156</u>	Gear Up <u>Fund #28178</u>	Outdoor Classroom Experience <u>Fund #28185</u>	CS Foundation <u>Fund #29102</u>	Total Non-Major Special Revenue <u>Funds</u>
ASSETS						
Pooled cash and investments	\$ 401	\$ -	\$ 502	\$ -	\$ 8,966	\$ 137,068
Receivables:						
Delinquent property taxes	-	-	-	-	-	-
Grant	-	-	-	-	-	102,666
USDA commodities inventory	-	-	-	-	-	1,735
Food inventory	-	-	-	-	-	<u>422</u>
Total assets	<u>\$ 401</u>	<u>\$ -</u>	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 8,966</u>	<u>\$ 241,891</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,921
Due to other funds	-	-	-	-	-	129,106
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	-	<u>26,747</u>
Delinquent property taxes	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,774</u>
Fund balance:						
Non-spendable:						
Inventories	-	-	-	-	-	2,157
Restricted for:						
Special revenue funds	401	-	502	-	8,966	79,960
Capital projects funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total fund balance	<u>401</u>	<u>-</u>	<u>502</u>	<u>-</u>	<u>8,966</u>	<u>82,117</u>
Total liabilities and fund balance	<u>\$ 401</u>	<u>\$ -</u>	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 8,966</u>	<u>\$ 241,891</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Ed Technology Equipment Act Fund #31900	Debt Service Fund #41000	Total Nonmajor Governmental Funds
ASSETS			
Pooled cash and investments	\$ 336,690	\$ 3,742	\$ 477,500
Receivables:			
Delinquent property taxes	-	105,556	105,556
Grant	-	-	102,666
USDA commodities inventory	-	-	1,735
Food inventory	<u>-</u>	<u>-</u>	<u>422</u>
 Total assets	 <u>\$ 336,690</u>	 <u>\$ 109,298</u>	 <u>\$ 687,879</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 2,131	\$ -	\$ 6,052
Due to other funds	-	-	129,106
Deferred revenue:			
Federal, state, and local grants	<u>-</u>	<u>-</u>	<u>26,747</u>
Delinquent property taxes	-	105,556	105,556
 Total liabilities	 <u>2,131</u>	 <u>105,556</u>	 <u>267,461</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	2,157
Restricted for:			
Special revenue funds	-	-	79,960
Capital projects funds	334,559	-	334,559
Debt service	-	3,742	3,742
 Total fund balance	 <u>334,559</u>	 <u>3,742</u>	 <u>420,418</u>
 Total liabilities and fund balance	 <u>\$ 336,690</u>	 <u>\$ 109,298</u>	 <u>\$ 687,879</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	Food Service	Athletics	Title I	Entitlement	Discretionary
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>Fund #24106</u>	<u>Fund #24107</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 96,988	\$ 154,269	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	127,545	-	-	-	-
USDA Commodities	8,545	-	-	-	-
State sources:					
State grant	1,638	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	33,851	10,527	-	-	-
Earnings from investments	<u>35</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>171,614</u>	<u>10,544</u>	<u>96,988</u>	<u>154,269</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	19,254	47,508	83,943	-
Support Services:					
Students	-	-	-	17,429	-
Instruction	-	-	46,489	-	-
General Administration	-	-	-	52,897	-
School Administration	-	-	2,991	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	<u>181,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>181,157</u>	<u>19,254</u>	<u>96,988</u>	<u>154,269</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(9,543)	(8,710)	-	-	-
Other financing uses:					
Other out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(9,543)	(8,710)	-	-	-
Fund balance at beginning of the year	<u>12,540</u>	<u>10,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 2,997</u>	<u>\$ 1,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	Preschool IDEA-B <u>Fund #24109</u>	Title II (Math/Science) <u>Fund #24115</u>	Title II Teacher Quality <u>Fund #24154</u>	Title IV Drug Free Schools <u>Fund #24157</u>	ARRA - Title I <u>Fund #24201</u>
	Revenues:				
Federal sources:					
Federal flowthrough grants	\$ 12,623	\$ -	\$ 26,364	\$ 522	\$ 128
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	12,623	-	26,364	522	128
Expenditures:					
Current:					
Instruction	12,623	-	26,364	522	128
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	12,623	-	26,364	522	128
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Other out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	ARRA - Preschool IDEA-B <u>Fund #24209</u>	ARRA - Education Stabilization <u>Fund #24290</u>	Title XIX Medicaid <u>Fund #25153</u>	Teacher Quality Enhancement <u>Fund #25214</u>	Rural Education Achievement Program <u>Fund #25233</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 2,746	\$ 2,500	\$ -	\$ -	\$ -
Federal direct grants	-	-	14,676	9,354	25,883
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total revenue	2,746	2,500	14,676	9,354	25,883
Expenditures:					
Current:					
Instruction	2,746	-	3,065	9,354	5,216
Support Services:					
Students	-	-	11,611	-	20,667
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	2,500	-	-	-
Total expenditures	2,746	2,500	14,676	9,354	25,883
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Other out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	ARRA - State Revitalization <u>Fund #25250</u>	Education Jobs <u>Fund #25255</u>	Turner Foundation <u>Fund #26156</u>	A Plus for Energy <u>Fund #26179</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	141,517	108,147	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	2,612
Local sources:					
Grant	-	-	15,000	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	39	9	-
Total revenue	141,517	108,147	15,039	9	2,612
Expenditures:					
Current:					
Instruction	-	108,147	14,323	1,200	2,612
Support Services:					
Students	141,517	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	141,517	108,147	14,323	1,200	2,612
Excess (deficiency) of revenues over expenditures	-	-	716	(1,191)	-
Other financing uses:					
Other out	-	-	-	-	-
Net change in fund balance	-	-	716	(1,191)	-
Fund balance at beginning of the year	-	-	27,375	2,758	-
Fund balance at end of the year	\$ -	\$ -	\$ 28,091	\$ 1,567	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	GO Bond Library Fund #27105	Library GO Bonds 2010 Fund #27106	Technology for Education Fund #27117	Incentives for School Improvement Fund #27138	State School Improvement Fund #27143
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	2,147	-	-	250	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	19	12	-
Total revenue	2,147	-	19	262	-
Expenditures:					
Current:					
Instruction	-	-	-	12,350	-
Support Services:					
Students	-	-	-	-	-
Instruction	2,147	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	2,147	-	-	12,350	-
Excess (deficiency) of revenues over expenditures	-	-	19	(12,088)	-
Other financing uses:					
Other out	-	-	-	-	-
Net change in fund balance	-	-	19	(12,088)	-
Fund balance at beginning of the year	-	-	11,321	25,256	1,075
Fund balance at end of the year	\$ -	\$ -	\$ 11,340	\$ 13,168	\$ 1,075

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				
	Mid-School Tutoring & Student Enhance <u>Fund #27153</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>	Library Books <u>Fund #27549</u>	NM Arts Div <u>Fund #28131</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	33	-	-	-
Total revenue	-	33	-	-	-
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	33	-	-	-
Other financing uses:					
Other out	-	(2,136)	-	-	-
Net change in fund balance	-	(2,103)	-	-	-
Fund balance at beginning of the year	5,996	4,300	2,603	1,510	401
Fund balance at end of the year	\$ 5,996	\$ 2,197	\$ 2,603	\$ 1,510	\$ 401

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Center for Teaching Excellence <u>Fund #28156</u>	Gear Up <u>Fund #28178</u>	Outdoor Classroom Experience <u>Fund #28185</u>	CS Foundation <u>Fund #29102</u>	
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 296,140
Federal direct grants	-	-	-	-	299,577
Food and milk reimbursements	-	-	-	-	127,545
USDA Commodities	-	-	-	-	8,545
State sources:					
State grant	-	-	-	-	6,647
Local sources:					
Grant	-	-	-	3,400	18,400
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	44,378
Earnings from investments	-	-	-	24	188
Total revenue	-	-	-	3,424	801,420
Expenditures:					
Current:					
Instruction	9,703	1,142	525	-	360,725
Support Services:					
Students	-	-	-	-	191,224
Instruction	-	-	-	-	48,636
General Administration	-	-	-	-	52,897
School Administration	-	-	-	-	2,991
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	183,657
Total expenditures	9,703	1,142	525	-	840,130
Excess (deficiency) of revenues over expenditures	(9,703)	(1,142)	(525)	3,424	(38,710)
Other financing uses:					
Other out	-	-	-	-	(2,136)
Net change in fund balance	(9,703)	(1,142)	(525)	3,424	(40,846)
Fund balance at beginning of the year	9,703	1,644	525	5,542	122,963
Fund balance at end of the year	\$ -	\$ 502	\$ -	\$ 8,966	\$ 82,117

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2011

	Ed Technology Equipment Act <u>Fund #31900</u>	Debt Service <u>Fund #41000</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:			
Federal sources:			
Federal flowthrough grants	\$ -	\$ -	\$ 296,140
Federal direct grants	-	-	299,577
Food and milk reimbursements	-	-	127,545
USDA Commodities	-	-	8,545
State sources:			
State grant	-	-	6,647
Local sources:			
Grant	-	-	18,400
District school tax levy	-	2,069	2,069
Fees and activities	-	-	44,378
Earnings from investments	<u>779</u>	<u>-</u>	<u>967</u>
Total revenue	<u>779</u>	<u>2,069</u>	<u>804,268</u>
Expenditures:			
Current:			
Instruction	-	-	360,725
Support Services:			
Students	-	-	191,224
Instruction	-	-	48,636
General Administration	-	21	52,918
School Administration	-	-	2,991
Operation & Maintenance of Plant	154,409	-	154,409
Food Services Operations	<u>-</u>	<u>-</u>	<u>183,657</u>
Total expenditures	<u>154,409</u>	<u>21</u>	<u>994,560</u>
Excess (deficiency) of revenues over expenditures	(153,630)	2,048	(190,292)
Other financing uses:			
Other out	<u>-</u>	<u>-</u>	<u>(2,136)</u>
Net change in fund balance	(153,630)	2,048	(192,428)
Fund balance at beginning of the year	<u>488,189</u>	<u>1,694</u>	<u>612,846</u>
Fund balance at end of the year	<u>\$ 334,559</u>	<u>\$ 3,742</u>	<u>\$ 420,418</u>

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BUDGETARY PRESENTATION

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2011

FOOD SERVICES

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

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

TITLE I

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

ENTITLEMENT/DISCRETIONARY IDEA-B

The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

TITLE II MATH/SCIENCE

The Title II math, science and core academic areas project provides funds to carry out a math skills control system for grades kindergarten through eighth. The project is funded by the Federal Government through the State of New Mexico Department of Education, under the Elementary and Secondary Education Act of 1965, Title II, Part A, Public Law 100-297, as amended, Public Law 101-589.

IDEA-B "RISK POOL"

The IDEA-B "Risk Pool" program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

TITLE II TEACHER QUALITY

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

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TITLE IV DRUG FREE SCHOOLS

To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

ARRA – TITLE I

Use of funds varies, depending on whether a school is operating a schoolwide program under Title I, section 1114 of ESEA or a targeted assistance program under Section 1115 of the ESEA. A school with at least a 40 percent poverty rate may choose to operate a schoolwide program under Section 1114 that allows Title I funds to be combined with other Federal, State, and local funds to upgrade the school's overall instructional program. Schoolwide program schools must receive the amount of non-Federal resources they would have received in the absence of Title I funds. All other participating schools must operate targeted assistance programs that provide extra instruction to those children failings, or most at risk of failing, to meet State academic achievement standards. Targeted assistance programs must ensure that Title I services supplement, and do not supplant the regular education programs normally provided with non-Federal funds by local educational agencies. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate, which is referenced under 34 CFR 76.564-76.569. Authorization: Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A, 20 U.S.C. 6301 et seq. and the American Recovery and Reinvestment Act of 2010 (ARRA), Public Law 111-5.

ARRA – PRESCHOOL IDEA-B

Funds are used: (1) to provide a free appropriate public education (FAPE) to preschool children with disabilities ages 3 through 5, and at the State's discretion, to 2-year-old children with disabilities who will reach age 3 during the next school year; (2) to administer section 619; and (3) for support services, direct services, activities to meet the State's performance goals, to supplement other funds used for a Statewide coordinated service system designed to improve results for children and families, to provide early intervention services in accordance with Part C to children ages 3 through 5 who would otherwise be eligible under the Preschool Grants program, and to continue service coordination or case management for families who receive services under Part C. Authorization: Individuals with Disabilities Education Act (IDEA), as amended, , Part B, Section 619, 20 U.S.C 1419; American Recovery and Reinvestment Act of 2010 (ARRA), Public Law 111-5.

ARRA – EDUCATION STABILIZATION

Under the State Fiscal Stabilization Fund (Stabilization) program, authorized in Title XIV of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5, the U.S. Department of Education (Department) awards grants on a formula basis to Governors to help stabilize State and local government budgets in order to minimize and avoid reductions in education and other essential public services. Authority: Title XIV, Division A, American Recovery and Reinvestment Act of 2009, Public Law 111-5.

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TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

TEACHER QUALITY ENHANCEMENT

To improve student achievement; improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities; hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, foreign language, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom; and recruit highly qualified individuals, including individuals from other occupations, into the teaching force. Authorization granted under Higher Education Act of 1965, Title II, Part A, Public Law 105-244.

RURAL EDUCATION ACHIEVEMENT

To account for funds received under the Small Rural School Achievement Program to enhance education.

ARRA – STATE REVITALIZATION

To support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies. Authorization: American Recovery and Reinvestment Act of 2010 (ARRA), Division A, Title XIV, Public Law 111-5.

EDUCATION JOBS

To provide funds to States to assist local educational agencies (LEAs) in saving or creating education jobs for school year 2010-2011. Authorization: Title I, Public Law 111-126.

TURNER FOUNDATION

To enhance the curriculum by utilizing nontraditional teaching methods (real life learning).

A PLUS FOR ENERGY

To assist high school lab based science courses in the study of energy resources.

DUAL CREDIT INSTRUCTIONAL MATERIALS

To provide instructional materials to be used for a dual credit course approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

GO BOND LIBRARY

To provide funds for improvement or acquisition and to acquire library books and library resources to support the library program.

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LIBRARIES GO BOND 2010

Funding made available to update and expand library collections.

TECHNOLOGY FOR EDUCATION

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

INCENTIVE FOR SCHOOL IMPROVEMENT

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

STATE SCHOOL IMPROVEMENT

State grant used to enhance the quality of education.

MID-SCHOOL TUTORING & STUDENT ENHANCEMENT

To assist in the success rate of students by providing after-school tutoring.

BEGINNING TEACHER MENTORING

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

LIBRARY BOOKS

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

NM ARTS

To account for the grants reserved from the NM Arts.

CENTER FOR TEACHING EXCELLENCE

To promote collaboration between public school teachers and university faculty.

GEAR UP

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

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OUTDOOR CLASSROOM EXPERIENCE

To complete a rigorous academic-based outdoor classroom learning experience that is directly related to classroom study.

CS FOUNDATION

To assist the school in providing educational services.

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FOOD SERVICE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 141,839	\$ 141,839	\$ 127,545	\$ (14,294)
State sources:				
State grant	1,893	1,893	1,638	(255)
Local sources:				
Fees and activities	40,000	40,000	33,851	(6,149)
Earnings from investments	<u>10</u>	<u>10</u>	<u>35</u>	<u>25</u>
Total revenues	183,742	183,742	163,069	(20,673)
Expenditures:				
Current:				
Food Services Operations	<u>183,742</u>	<u>183,742</u>	<u>171,120</u>	<u>12,622</u>
Excess (deficiency) of revenues over expenditures	-	-	(8,051)	(8,051)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>12,540</u>	<u>12,540</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,489	<u>\$ 4,489</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			<u>(1,492)</u>	
			<u>\$ 2,997</u>	

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ATHLETICS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 10,800	\$ 10,800	\$ 10,527	\$ (273)
Earnings from investments	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
Total revenues	10,800	10,800	10,544	(256)
 Expenditures:				
Current:				
Instruction	<u>21,225</u>	<u>21,225</u>	<u>19,254</u>	<u>1,971</u>
Excess (deficiency) of revenues over expenditures	(10,425)	(10,425)	(8,710)	1,715
Beginning cash balance budgeted	10,425	10,425	-	(10,425)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>10,414</u>	<u>10,414</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,704	<u>\$ 1,704</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 1,704</u>	

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TITLE I SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 83,122	\$ 111,889	\$ 86,576	\$ (25,313)
Expenditures:				
Current:				
Instruction	32,976	61,731	47,508	14,223
Support Services:				
Instruction	47,150	47,162	46,489	673
School Administration	<u>2,996</u>	<u>2,996</u>	<u>2,991</u>	<u>5</u>
Total expenditures	<u>83,122</u>	<u>111,889</u>	<u>96,988</u>	<u>14,901</u>
Excess (deficiency) of revenues over expenditures	-	-	(10,412)	(10,412)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(10,412)	<u>\$ (10,412)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>10,412</u>	
			<u>\$ -</u>	

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ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 196,277	\$ 105,735	\$ (90,542)
Expenditures:				
Current:				
Instruction	-	100,740	84,119	16,621
Support Services:				
Students	-	18,806	17,429	1,377
School Administration	-	53,109	52,898	211
Central Services	-	23,622	-	23,622
Total expenditures	-	196,277	154,446	41,831
Excess (deficiency) of revenues over expenditures	-	-	(48,711)	(48,711)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(48,711)	\$ (48,711)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			48,534	
Change in payables			177	
			\$ -	

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DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

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PRESCHOOL IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 15,504	\$ 11,007	\$ (4,497)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>15,504</u>	<u>12,622</u>	<u>2,882</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,615)	(1,615)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,615)	<u>\$ (1,615)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,615</u>	
			<u>\$ -</u>	

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TITLE II (MATH/SCIENCE) SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

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TITLE II TEACHER QUALITY SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 22,946	\$ 26,664	\$ 14,188	\$ (12,476)
 Expenditures:				
Current:				
Instruction	<u>22,946</u>	<u>26,664</u>	<u>26,364</u>	<u>300</u>
Excess (deficiency) of revenues over expenditures	-	-	(12,176)	(12,176)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(12,176)	<u>\$ (12,176)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>12,176</u>	
			<u>\$ -</u>	

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TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 522	\$ 522	\$ -
 Expenditures:				
Current:				
Instruction	-	522	522	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

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ARRA - TITLE I SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 128	\$ 7,956	\$ 7,828
 Expenditures:				
Current:				
Instruction	-	128	128	-
Excess of revenues over expenditures	-	-	7,828	7,828
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,828	<u>\$ 7,828</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(7,828)	
			<u>\$ -</u>	

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ARRA - PRESCHOOL IDEA-B SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 2,749	\$ 535	\$ (2,214)
 Expenditures:				
Current:				
Instruction	-	2,749	2,746	3
 Excess (deficiency) of revenues over expenditures	-	-	(2,211)	(2,211)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,211)	<u>\$ (2,211)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,211</u>	
			<u>\$ -</u>	

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ARRA - EDUCATION STABILIZATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 2,500	\$ 2,500	\$ -
Expenditures:				
Current:				
Food Services Operations	-	2,500	2,500	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

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TITLE XIX MEDICAID SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 12,096	\$ 27,692	\$ 12,146	\$ (15,546)
Expenditures:				
Current:				
Instruction	410	12,979	535	12,444
Support Services:				
Students	11,686	14,713	11,611	3,102
Total expenditures	12,096	27,692	12,146	15,546
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,530	
Change in payables			(2,530)	
			\$ -	

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TEACHER QUALITY ENHANCEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 9,808	\$ -	\$ (9,808)
Expenditures:				
Current:				
Instruction	-	9,808	9,591	217
Excess (deficiency) of revenues over expenditures	-	-	(9,591)	(9,591)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(9,591)	<u>\$ (9,591)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			237	
Change in deferred revenue			<u>9,354</u>	
			<u>\$ -</u>	

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RURAL EDUCATION ACHIEVEMENT PROGRAM SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 71,255	\$ 15,721	\$ (55,534)
Expenditures:				
Current:				
Instruction	-	5,222	5,216	6
Support Services:				
Students	-	30,877	20,667	10,210
Instruction	-	<u>35,156</u>	-	<u>35,156</u>
Total expenditures	-	<u>71,255</u>	<u>25,883</u>	<u>45,372</u>
Excess (deficiency) of revenues over expenditures	-	-	(10,162)	(10,162)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(10,162)	<u>\$ (10,162)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>10,162</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - STATE REVITALIZATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 40,156	\$ 141,693	\$ 170,196	\$ 28,503
Expenditures:				
Current:				
Instruction	40,156	-	-	-
Support Services:				
Students	-	141,693	141,517	176
Total expenditures	40,156	141,693	141,517	176
Excess of revenues over expenditures	-	-	28,679	28,679
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	28,679	\$ 28,679
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(28,251)	
Change in deferred revenue			(428)	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

EDUCATION JOBS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 108,148	\$ 108,147	\$ (1)
 Expenditures:				
Current:				
Instruction	-	108,148	108,147	1
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TURNER FOUNDATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 42,403	\$ 15,000	\$ (27,403)
Earnings from investments	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</u>
Total revenues	-	42,403	15,039	(27,364)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>42,403</u>	<u>14,323</u>	<u>28,080</u>
Excess of revenues over expenditures	-	-	716	716
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>27,375</u>	<u>27,375</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>28,091</u>	<u>\$ 28,091</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 28,091</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

A PLUS FOR ENERGY SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 2,758	\$ -	\$ (2,758)
Earnings from investments	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
Total revenues	-	2,758	9	(2,749)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>2,758</u>	<u>1,200</u>	<u>1,558</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,191)	(1,191)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,758</u>	<u>2,758</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,567	<u>\$ 1,567</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 1,567</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DUAL CREDIT INSTRUCTIONAL MATATERIALS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 2,612	\$ 2,612	\$ -
 Expenditures:				
Current:				
Instruction	-	2,612	2,612	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GO BOND LIBRARY SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 7,011	\$ 7,500	\$ 489
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>-</u>	<u>7,011</u>	<u>2,147</u>	<u>4,864</u>
Excess of revenues over expenditures	-	-	5,353	5,353
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,353	<u>\$ 5,353</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(5,353)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARY GO BONDS 2010 SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 10,299	\$ -	\$ (10,299)
 Expenditures:				
Current:				
Support Services:				
Instruction	-	10,299	-	10,299
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 7,900	\$ -	\$ (7,900)
Local sources:				
Earnings from investments	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Total revenues	-	7,900	19	(7,881)
Expenditures:				
Current:				
Support Services:				
Students	<u>-</u>	<u>7,900</u>	<u>-</u>	<u>7,900</u>
Excess of revenues over expenditures	-	-	19	19
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>11,321</u>	<u>11,321</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	11,340	<u>\$ 11,340</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 11,340</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 25,254	\$ 250	\$ (25,004)
Local sources:				
Earnings from investments	-	-	12	12
Total revenues	-	25,254	262	(24,992)
Expenditures:				
Current:				
Instruction	-	25,254	10,959	14,295
Excess (deficiency) of revenues over expenditures	-	-	(10,697)	(10,697)
Fund balance at beginning of the year	-	-	25,256	25,256
Fund balance at end of the year	\$ -	\$ -	14,559	\$ 14,559
RECONCILIATION TO GAAP BASIS:				
Change in payables			(1,391)	
			<u>\$ 13,168</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATE SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	1,075	1,075
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,075	<u>\$ 1,075</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 1,075</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

MID-SCHOOL TUTORING & STUDENT ENHANCE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	5,996	5,996
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,996	<u>\$ 5,996</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 5,996</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	-	-	33	33
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	33	33
 Other financing uses:				
Other out	-	-	(2,136)	(2,136)
Net change in fund balance	-	-	(2,103)	(2,103)
 Fund balance at beginning of the year	-	-	4,300	4,300
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,197	<u>\$ 2,197</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 2,197</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	2,603	2,603
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,603	<u>\$ 2,603</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 2,603</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARY BOOKS SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 1,510	\$ -	\$ (1,510)
 Expenditures:				
Current:				
Support Services:				
Instruction	-	1,510	-	1,510
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	1,510	1,510
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,510	<u>\$ 1,510</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 1,510</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NM ARTS DIV SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 401	\$ -	\$ (401)
 Expenditures:				
Current:				
Instruction	-	401	-	401
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	401	401
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	401	<u>\$ 401</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 401</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CENTER FOR TEACHING EXCELLENCE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 9,703	\$ -	\$ (9,703)
Expenditures:				
Current:				
Instruction	-	9,703	9,703	-
Excess (deficiency) of revenues over expenditures	-	-	(9,703)	(9,703)
Fund balance at beginning of the year	-	-	9,703	9,703
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GEAR UP SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 1,644	\$ -	\$ (1,644)
Expenditures:				
Current:				
Instruction	-	1,644	1,142	502
Excess (deficiency) of revenues over expenditures	-	-	(1,142)	(1,142)
Fund balance at beginning of the year	-	-	1,644	1,644
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	502	<u>\$ 502</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 502</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OUTDOOR CLASSROOM EXPERIENCE SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 525	\$ -	\$ (525)
Expenditures:				
Current:				
Instruction	-	525	525	-
Excess (deficiency) of revenues over expenditures	-	-	(525)	(525)
Fund balance at beginning of the year	-	-	525	525
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CS FOUNDATION SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 8,942	\$ 3,400	\$ (5,542)
Earnings from investments	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
Total revenues	-	8,942	3,424	(5,518)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>8,942</u>	<u>-</u>	<u>8,942</u>
Excess of revenues over expenditures	-	-	3,424	3,424
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>5,542</u>	<u>5,542</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>8,966</u>	<u>\$ 8,966</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 8,966</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL PROJECTS FUNDS
June 30, 2011

CAPITAL IMPROVEMENTS HB – 33

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

CAPITAL IMPROVEMENTS SB – 9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

ED TECHNOLOGY EQUIPMENT ACT

This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS HB-33 CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 1,397,263	\$ 1,397,263	\$ 1,221,375	\$ (175,888)
Earnings from investments	<u>9,000</u>	<u>9,000</u>	<u>2,547</u>	<u>(6,453)</u>
Total revenues	<u>1,406,263</u>	<u>1,406,263</u>	<u>1,223,922</u>	<u>(182,341)</u>
 Expenditures:				
Current:				
Support Services:				
General Administration	13,972	13,972	10,700	3,272
Capital outlay:				
Construction in progress	<u>2,846,180</u>	<u>2,846,180</u>	<u>1,185,308</u>	<u>1,660,872</u>
Total expenditures	<u>2,860,152</u>	<u>2,860,152</u>	<u>1,196,008</u>	<u>1,664,144</u>
Excess (deficiency) of revenues over expenditures	(1,453,889)	(1,453,889)	27,914	1,481,803
Beginning cash balance budgeted	1,453,889	1,453,889	-	(1,453,889)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,306,917</u>	<u>1,306,917</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,334,831</u>	<u>\$ 1,334,831</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			17,681	
Change in due from other governments			(3,670)	
Change in deferred property taxes			<u>(6,308)</u>	
			<u>\$ 1,342,534</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 11,677	\$ 27,066	\$ 15,389
Local sources:				
District school tax levy	979,955	979,955	877,902	(102,053)
Earnings from investments	<u>2,000</u>	<u>2,000</u>	<u>3,361</u>	<u>1,361</u>
Total revenues	<u>981,955</u>	<u>993,632</u>	<u>908,329</u>	<u>(85,303)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	9,799	9,799	7,736	2,063
Operation & Maintenance of Plant	550,500	550,500	316,765	233,735
Capital outlay:				
Equipment	200,000	442,696	396,886	45,810
Construction in progress	<u>2,397,676</u>	<u>2,166,657</u>	<u>82,021</u>	<u>2,084,636</u>
Total expenditures	<u>3,157,975</u>	<u>3,169,652</u>	<u>803,408</u>	<u>2,366,244</u>
Excess (deficiency) of revenues over expenditures	(2,176,020)	(2,176,020)	104,921	2,280,941
Beginning cash balance budgeted	2,176,020	2,176,020	-	(2,176,020)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,241,144</u>	<u>2,241,144</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,346,065</u>	<u>\$ 2,346,065</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(3,632)	
Change in due from other governments			(3,961)	
Change in payables			(215,623)	
Change in deferred property taxes			<u>11,139</u>	
			<u>\$ 2,133,988</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ 300	\$ 300	\$ 779	\$ 479
 Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	331,864	381,864	152,278	229,586
Capital outlay:				
Equipment	<u>60,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total expenditures	<u>391,864</u>	<u>391,864</u>	<u>152,278</u>	<u>239,586</u>
Excess (deficiency) of revenues over expenditures	(391,564)	(391,564)	(151,499)	240,065
Beginning cash balance budgeted	391,564	391,564	-	(391,564)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>488,189</u>	<u>488,189</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	336,690	<u>\$ 336,690</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(2,131)</u>	
			<u>\$ 334,559</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUNDS
June 30, 2011

DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with general obligation bonds.

EDUCATION TECHNOLOGY DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUND

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ 600	\$ 2,142	\$ 1,542
 Expenditures:				
Current:				
Support Services:				
General Administration	-	600	21	579
Excess of revenues over expenditures	-	-	2,121	2,121
Fund balance at beginning of the year	-	-	1,694	1,694
Fund balance at end of the year	\$ -	\$ -	3,815	\$ 3,815
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			5,225	
Change in due from other governments			(35)	
Change in deferred property taxes			(5,263)	
			\$ 3,742	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECH DEBT SERVICE FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 660,594	\$ 660,728	\$ 774,552	\$ 113,824
Earnings from investments	<u>360</u>	<u>360</u>	<u>437</u>	<u>77</u>
Total revenues	<u>660,954</u>	<u>661,088</u>	<u>774,989</u>	<u>113,901</u>
Expenditures:				
Current:				
Support Services:				
General Administration	6,606	6,740	6,740	-
Debt service:				
Principal retirement	625,000	625,000	625,000	-
Bond interest paid	35,594	35,594	35,594	-
Reserves	<u>457,421</u>	<u>457,421</u>	<u>-</u>	<u>457,421</u>
Total expenditures	<u>1,124,621</u>	<u>1,124,755</u>	<u>667,334</u>	<u>457,421</u>
Excess (deficiency) of revenues over expenditures	(463,667)	(463,667)	107,655	571,322
Beginning cash balance budgeted	463,667	463,667	-	(463,667)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>557,624</u>	<u>557,624</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	665,279	<u>\$ 665,279</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			333,697	
Change in due from other governments			(5,021)	
Change in deferred property taxes			<u>(331,155)</u>	
			<u>\$ 662,800</u>	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2011

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2011</u>
100	Pay Pal E-Store	\$ 226	\$ -	\$ -	\$ 226
400	Annual Yearbook	7,583	1,228	3,595	5,216
402	High School Art	1,716	103	232	1,587
403	Booster Club	15,945	7,529	11,002	12,472
405	Juan Martinez Scholarship	20,750	2,035	1,000	21,785
406	CHS Cheerleaders	1,849	3	-	1,852
407	High School Photography	3	90	-	93
408	Elementary MOP	4,891	2,199	4,155	2,935
409	Elementary Yearbook	852	1,146	1,129	869
410	Elementary Principal	1,724	3,073	4,072	725
411	Elementary Art	955	1	627	329
412	PeeWee Basketball	4,676	8	1,785	2,899
414	Elementary Reading	327	-	-	327
415	Class of 2012	1,932	7,389	7,462	1,859
416	District Nurse	63	300	-	363
417	Class of 2010	428	-	428	-
419	Class of 2011	2,981	1,283	3,140	1,124
420	Class of 2013	-	1,737	500	1,237
421	Class of 2014	-	593	140	453
424	CMS Student Council	348	277	308	317
426	ENEMS Principal	7,533	9,385	13,152	3,766
428	MS Barn Fund	4,100	3,408	2,501	5,007
429	Universal Classroom	626	1	200	427
430	MS Art	270	-	-	270
431	MS Yearbook	3,231	3,257	3,837	2,651
433	ENEMS Student Bran	-	42	42	-
434	MS Student Council	430	396	76	750
438	MS Spanish Club	139	-	-	139
440	HS Principal	990	4,984	5,198	776
442	HS Student Council	680	651	356	975
446	Band-Music	1,340	15,701	15,646	1,395
449	HS Exploratory	238	-	102	136
450	HS National Honor Society	476	371	537	310
451	Ram's Horn	3,974	7	-	3,981
454	RHOR	584	782	818	548
454	HS Shop	\$ 191	\$ 40	\$ -	\$ 231

(continued)

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2011**

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2011</u>
455	HS Laser Shop/Business	\$ 1,595	\$ 571	\$ 456	\$ 1,710
458	Elementary VIP's	2,252	4,253	5,251	1,254
460	Zane Scholarship	12,093	651	500	12,244
461	100 Years of Excellence	314	-	114	200
463	ENEMS Library	500	1	-	501
464	ENEMS K-2 Teachers	744	7,023	6,027	1,740
465	ENEMS 3-4 Teachers	554	13,167	13,283	438
470	MS FCA	839	-	839	-
476	HS FCA	368	841	-	1,209
479	HS Graphic Art	65	75	-	140
481	CHS Rams E-Store	1,829	628	374	2,083
482	CHS Broadcast	10	1,902	-	1,912
483	Culinary Arts	234	133	-	367
485	ENEMS Beta Club	377	201	-	578
487	WERC Environmental Design	<u>-</u>	<u>359</u>	<u>139</u>	<u>220</u>
	Pooled cash and investments	<u>\$ 113,825</u>	<u>\$ 97,824</u>	<u>\$ 109,023</u>	<u>\$ 102,626</u>
	LIABILITIES				
	Deposits held for others	<u>\$ 113,825</u>	<u>\$ 97,824</u>	<u>\$ 109,023</u>	<u>\$ 102,626</u>

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**SCHEDULE OF PLEDGED COLLATERAL
June 30, 2011**

	<u>International Bank</u>
Cash on deposit at June 30, 2011	\$ 5,474,481
Less FDIC coverage	<u>250,000</u>
Uninsured funds	<u>\$ 5,224,481</u>
50% collateral requirement	\$ 2,612,241
Pledged collateral	<u>3,020,975</u>
Excess (deficiency) of pledged collateral	<u>\$ 408,734</u>

Pledged collateral of financial institutions consists of the following at June 30, 2011

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
International Bank:			
FHLMC	9/9/2011	3133XF5T9	\$ 353,535
West Las Vegas SD	12/15/2011	953769GH3	91,323
Questa SD	7/15/2012	748352CK9	203,920
West Las Vegas SD	12/15/2012	953769GJ9	99,636
FHLB	12/14/2012	3133XDTB7	665,875
FHLB	12/14/2012	3133XDTB7	399,525
FHLB	12/12/2013	31331TMU2	745,551
FHLB	6/13/2014	3133XKV7	55,970
FHLB	9/12/2014	313370JS8	202,820
FHLB	9/12/2014	313370JS8	<u>202,820</u>
			<u>\$ 3,020,975</u>

The above securities are held at Federal Reserve Bank in Denver, CO.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION
June 30, 2011

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 84,521	\$ 4,117,080	\$ (3,747,390)	\$ (129,106)	\$ 325,105	\$ -	\$ 325,105
Transportation	190,138	380,621	(475,170)	(95,069)	520	-	520
Instructional Materials	20,247	16,726	(4,549)	-	32,424	-	32,424
Food Services	8,891	163,070	(171,121)	-	840	-	840
Athletics	10,414	10,544	(19,254)	-	1,704	-	1,704
Federal Flowthrough Funds	8,924	229,010	(296,317)	60,000	1,617	-	1,617
Federal Direct Funds	(21,826)	306,210	(297,285)	67,000	54,099	-	54,099
Local Grants	30,133	15,049	(15,524)	-	29,658	-	29,658
State Flowthrough Funds	44,603	8,291	(15,719)	2,106	39,281	-	39,281
State Direct Funds	12,273	-	(11,370)	-	903	-	903
Local/State	5,542	3,424	-	-	8,966	-	8,966
Capital Improvements HB-33	1,248,103	1,223,922	(1,196,008)	-	1,276,017	-	1,276,017
Capital Improvements SB-9	2,067,145	908,328	(803,408)	132,859	2,304,924	-	2,304,924
Ed Technology Equipment Act	488,189	779	(152,278)	-	336,690	-	336,690
Debt Service	1,621	2,142	(21)	-	3,742	-	3,742
Ed Tech Debt Service	508,255	774,989	(667,333)	-	615,911	-	615,911
Agency Funds	-	-	-	-	-	102,626	102,626
Total	\$ 4,707,173	\$ 8,160,185	\$ (7,872,747)	\$ 37,790	\$ 5,032,401	\$ 102,626	\$ 5,135,027

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Adjustments to cash:</u>	
Operational	Checking	International Bank	\$ 72,823	Bank Balance	\$ 5,474,481
Cafeteria	Checking	International Bank	10,840	Outstanding deposits	35,850
Athletics	Checking	International Bank	1,704	Outstanding checks	(375,304)
Activities	Checking	International Bank	93,169	Total adjustment to cash	\$ 5,135,027
Federal	Checking	International Bank	45,281		
State/Local Grant	Checking	International Bank	80,845	<u>Adjustments to report:</u>	
SB-9	Checking	International Bank	2,202,791	Agency funds	\$ 102,626
Special Investment	Checking	International Bank	569,086		
Ed Tech Bond	Checking	International Bank	357,114		
HB 33	Checking	International Bank	1,276,017		
Debt Service	Checking	International Bank	619,653		
Payroll Clearing	Checking	International Bank	-		
SB-9 CD	CD	International Bank	133,080		
Zane Scholarship	CD	International Bank	11,852		
CHS E-Store	Checking	International Bank	226		
Total			\$ 5,474,481		

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SINGLE AUDIT SECTION

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**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**

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

Hector H. Balderas, State Auditor
and the Board of Education
Cimarron Municipal School District No. 3

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund, and the combining and individual funds and the related budgetary comparisons presented as supplemental information of Cimarron Municipal School District No. 3 as of and for the year ended June 30, 2011, and have issued our report thereon dated August 31, 2011. 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 Cimarron Municipal School District No. 3 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Cimarron Municipal School District No. 3's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cimarron Municipal School District No. 3's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3'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 a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. Finding C2011 – 1, F2011 – 1, and F2011 – 2. 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.

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Hector H. Balderas, State Auditor
and the Board of Education
Cimarron Municipal School District No. 3

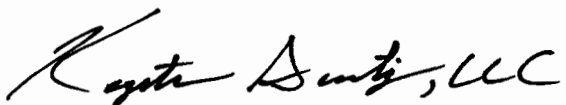
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cimarron Municipal School District No. 3'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items Findings F2011 – 1.

We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6- 5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings C2011 – 1 and F2011 – 2.

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

This report is intended solely for the information and use of management, the Board of Education of Cimarron Municipal School District No. 3, others within Cimarron Municipal School District No. 3, the audit committee, the State Auditor, the New Mexico Legislature, the New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



August 31, 2011

**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**

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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

Independent Auditor's Report

Hector H. Balderas, State Auditor
And the Board of Education
Cimarron Municipal School District No. 3

Compliance

We have audited Cimarron Municipal School District No. 3's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* (Revised March 2011) that could have a direct and material effect on each of Cimarron Municipal School District No. 3's major federal programs for the year ended June 30, 2011. Cimarron Municipal School District No. 3's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cimarron Municipal School District No. 3's management. Our responsibility is to express an opinion on Cimarron Municipal School District No. 3'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; 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 Cimarron Municipal School District No. 3'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 on Cimarron Municipal School District No. 3's compliance with those requirements.

In our opinion, Cimarron Municipal School District No. 3 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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Hector H. Balderas, State Auditor
And the Board of Education
Cimarron Municipal School District No. 3

Internal Control Over Compliance

Management of Cimarron Municipal School District No. 3 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 Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3'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 would not necessarily identify all deficiencies in internal control 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 management, others within the Cimarron Municipal School District No. 3, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



August 31, 2011

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

A. PRIOR YEAR AUDIT FINDINGS

CIMARRON MUNICIPAL SCHOOLS

2010 – 1 INSUFFICIENT PLEDGED COLLATERAL
Current Status: Resolved. Not repeated in the current year.

2010 – 2 LACK OF TIMELY TRANSFER OF SUB-RECIPIENT FUNDS
Current Status: Resolved. Not repeated in the current year.

2010 – 3 LATE AUDIT REPORT
Current Status: Resolved. Not repeated in the current year.

MORENO VALLEY HIGH SCHOOL

C2010 – 1 IMPRPROPER FUND ACCOUNTING
Current Status: Resolved. Not repeated in the current year.

MORENO VALLEY EDUCATION FOUNDATION

F2009 – 3 UNTIMELY DEPOSITS
Current Status: Resolved. Not repeated in the current year.

F2009 – 4 MISSTATEMENT OF CASH
Current Status: Not Resolved. Repeated in the current year as Finding F2011 – 2.

F2010 – 1 PREPARATION OF FINANCIAL STATEMENTS
Current Status: Resolved. Not repeated in the current year.

F2010 – 2 EXPENSES POSTED IN REVENUE ACCOUNTS
Current Status: Not Resolved. Repeated in the current year as Finding F2011 – 1.

F 2010 – 5 BACKUP DOCUMENTATION FOR DISBURSEMENT MISSING
Current Status: Resolved. Not repeated in the current year.

F 2010 – 6 CASH DISBURSEMENTS WERE NOT PAID IN A TIMELY MANNER.
Current Status: Resolved. Not repeated in the current year.

F2010 – 7 MISSING RECEIPTS
Current Status: Resolved. Not repeated in the current year.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Cimarron Municipal School District No. 3.
2. There were three significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There were no significant deficiencies considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Cimarron Municipal School District No. 3 were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the 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.
5. The auditors' report on compliance for the major federal award programs for Cimarron Municipal School District No. 3 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Cimarron Municipal School District No. 3 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
 - Special Education (IDEA) Cluster CFDA# 84.027, 84.173, 84.391, and 84.392; and
 - ARRA – State Revitalization CFDA#
 - Education Jobs CFDA# 84.410.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Cimarron Municipal School District No. 3 was determined to be a high risk auditee.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

CIMARRON MUNICIPAL SCHOOLS

No findings to report.

MORENO VALLEY HIGH SCHOOL

C2011 – 1 CASH NOT REONCILED TO GENERAL LEDGER

Significant Deficiency?
Yes

Material Weakness?
No

Internal Control?
Yes

Compliance?
No

Other Matter?
Yes

Condition: The reconciliations for bank accounts did not balance to the amounts in the general ledger with a difference of \$3,696.

Criteria: Bank statements should be reconciled to the balances in the general ledger and subsidiary accounts as required by 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

Effect of condition: The District is not in compliance with 1978 NMSA 6-10-2 and is lacking a significant control over cash which is a violation of 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

Cause: The bank reconciliations were not completed correctly or accurately..

Recommendation: The bank reconciliations should be completed in a timely manner and reviewed for completeness and accuracy.

Management's Response: No response.

Auditor's Response: Management did not respond to the finding within five days of being notified of the deficiency as required by NMAC 2.2.2.10(I).

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION

F2011 – 1 EXPENSES POSTED IN REVENUE ACCOUNTS

(Repeat of original finding number F2010 – 2)

Significant Deficiency?

Yes

Material Weakness?

No

Internal Control?

Yes

Compliance?

Yes

Other Matter?

No

Condition: The foundation posted two different expenditures totaling \$301 in a revenue account.

Criteria: In accordance with proper accounting procedures – expenses and revenue should be reported separately.

Effect of condition: The revenue and the expenses are understated.

Cause: The expenses for a grant were posted in the revenue.

Recommendation: The expenditures should be properly recorded as expenses.

Management's Response: This was a single entry mistake by the bookkeeper. This entry will be corrected.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2011

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2011 – 2 MISSTATEMENT OF CASH

(Repeat of original finding number F2009 – 4)

Significant Deficiency?
 Yes

Material Weakness?
 No

Internal Control?
 Yes

Compliance?
 No

Other Matter?
 Yes

Condition: Reconciliation of bank balances were misrepresented by having 1 checks which were written in June were not recorded on the books until July when they cleared the bank. The checks totaled \$45.

Criteria: Reconciliation of bank statements to general ledger cash balances should be performed monthly, and reviewed by management to maintain fiscal responsibility and safeguard the assets.

Effect of condition: Overvaluation of the cash account, and undervaluation of the expense accounts.

Cause: Two checks written in June were not properly posted to the books until July when they cleared the bank.

Recommendation: Review of check register and reconciliation of bank accounts to insure accuracy.

Management's Response: The Foundation will correct this process with the bookkeeper.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		\$ 7,434
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	91,612	
USDA School Breakfast Program	10.553	21000	<u>35,933</u>	
Total Child Nutrition Cluster				127,545
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>8,545</u>
Subtotal Pass-Through Programs				<u>136,090</u>
Total U.S. Department of Agriculture				<u>143,524</u>
<u>U.S. Department of Education:</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	154,269	
Preschool IDEA-B	84.173	24109	12,623	
ARRA - Preschool IDEA-B	84.392	24209	<u>2,746</u>	
Total Special Education (IDEA) Cluster				169,638
<u>Title I, Part A Cluster:</u>				
Title I	84.010	24101	96,988	
ARRA - Title I	84.389	24201	<u>128</u>	
Total Title I, Part A Cluster:				97,116
Title II (Math/Science)	84.164	24115		-
Title II Teacher Quality	84.367	24154		26,364
Title IV Drug Free Schools	84.186	24157		522
ARRA - Education Stabilization	84.394	24290		2,500
ARRA - State Revitalization	84.394	25250		141,517
Education Jobs	84.410	25255		<u>108,147</u>
Subtotal Pass-Through Programs				<u>\$ 545,804</u>

(continued)

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2011

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>				
Direct Programs:				
Teacher Quality Enhancement	84.336	25214		\$ 9,354
Rural Education Achievement Program	84.358A	25233		<u>25,883</u>
Subtotal Direct Programs				<u>35,237</u>
Total U.S. Department of Education				<u>581,041</u>
<u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>14,676</u>
Total Expenditures of Federal Awards				<u>\$ 739,241</u>
Charter School Awards:				
Moreno Valley High School Charter School				
ARRA - State Revitalization	84.394	25250		\$ 8,950
Education Jobs	84.410	25255		<u>24,115</u>
				<u>\$ 33,065</u>

See accompanying notes to the
 Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes To The Schedule Of Expenditures Of Federal Awards
 Year Ended June 30, 2011

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Cimarron Municipal School District No. 3 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised June 2011 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2011 cash and non-cash expenditures to ensure coverage of at least 50% (High Risk Auditee) of federally granted funds. Actual coverage is approximately 63% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$730,696 and all non-cash expenditures amounted to \$8,545.

Major Federal Award Program Description	Fiscal 2011 <u>Expenditure</u>
Cash assistance:	
Special Education (IDEA) Cluster	\$ 169,638
ARRA - State Revitalization	141,517
Education Jobs	156,664
	<u>\$ 467,819</u>

The School District did not have any Type A programs. The programs Special Education (IDEA) Cluster, ARRA – State Revitalization, and Education Jobs were considered high risk Type B programs for the 2011 audit.

The U.S. Department of Education is the Cimarron Municipal School District No. 3’s oversight for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2011. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2011

3. Audits performed by other entities

There were no other audits performed by other organizations on the School District's federal grant programs in 2011.

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REQUIRED DISCLOSURE

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

REQUIRED DISCLOSURES
Year Ended June 30, 2011

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held in an advertised executive session August 31, 2011, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Valerie Garcia	Board Secretary / Audit Committee
Donna Archuleta	Audit Committee
James Gallegos	Superintendent
Lita Sanchez	Business Official

KEYSTONE ACCOUNTING. LLC

Terry Ogle, CPA	Partner
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