

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2012  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The logo for Keystone Accounting, LLC features a stylized 'K' and 'A' in a decorative, calligraphic font. The 'K' is on the left, and the 'A' is on the right, with the word 'KEYSTONE ACCOUNTING, LLC' in a serif font between them.

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 ROSTER  
June 30, 2012

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BOARD OF EDUCATION

Valerie C. Garcia	Board President
Ronald Anderson	Board Vice-President
Robert H. Potter	Board Secretary
Annette J. Johnson	Board Member
Owen G. McCulloch	Board Member

SCHOOL OFFICIALS

James Gallegos	Superintendent
Lita Sanchez	Business Manager

AUDIT COMMITTEE

Valerie C. Garcia	Board President
Ronald Anderson	Board Vice-President
Donna Archuleta	Financial Professional
Lori Crowson	Parent
James Gallegos	Superintendent
Lita Sanchez	Business Manager

FINANCE COMMITTEE

Ronald Anderson	Board Vice-President
Owen G. McCulloch	Board Member
Donna Archuleta	Financial Professional
James Gallegos	Superintendent
Lita Sanchez	Business Manager
Lawana Whitten	School Business Official

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**FINANCIAL SECTION**

**FISCAL YEAR 2012**

**JULY 1, 2011 THROUGH JUNE 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2012, 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 the Cimarron Municipal School District No. 3's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, debt service fund, 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, 2012, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cimarron Municipal School District No. 3's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cimarron Municipal School District No. 3, as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue 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, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated September 13, 2012, 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.

Management has omitted the MD&A which is required to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

*Keystone Accounting LLC*

September 13, 2012  
Farmington, NM

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET ASSETS

June 30, 2012

	Primary Government	Component Units
	<u>Governmental Activities</u>	<u>Moreno Valley High School</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,778,893	\$ 243,111
Receivables:		
Delinquent property taxes receivable	276,785	-
Grant	45,959	50,670
Due from other governments	23,740	-
Deferred bond issuance costs	52,471	-
USDA commodities inventory	1,027	-
Food inventory	2,148	-
Non-current:		
Non-depreciable assets	1,456,979	300,000
Depreciable capital assets, net	14,448,377	2,110,190
Total assets	21,086,379	2,703,971
<b>LIABILITIES</b>		
Accounts payable	32,105	2,027
Accrued salaries	-	26,811
Accrued interest	16,129	-
Deferred grant revenue	18,900	-
Noncurrent liabilities:		
Due within one year	350,000	-
Due in more than one year	1,402,230	-
Total liabilities	1,819,364	28,838
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	14,448,772	2,410,190
Restricted for:		
Inventories	3,175	-
Special revenue funds	52,648	1,881
Capital projects	3,939,759	72,527
Debt service	531,021	-
Unrestricted	291,640	190,535
Total net assets	\$ 19,267,015	\$ 2,675,133

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, 2012

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 Units
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instruction	\$ 2,786,972	\$ 5,685	\$ 163,034	\$ 11,865	\$ (2,606,388)	\$ -
Support Services - Students	579,072	9,511	33,875	2,465	(533,221)	-
Support Services - Instruction	105,194	-	6,154	448	(98,592)	-
Support Services - General Administration	257,679	-	15,074	1,097	(241,508)	-
Support Services - School Administration	326,428	-	19,096	1,390	(305,942)	-
Central Services	84,180	-	4,924	-	(79,256)	-
Operations & Maintenance of Plant	1,649,410	-	96,488	-	(1,552,922)	-
Student Transportation	365,051	-	322,099	-	(42,952)	-
Food Services	229,266	30,102	164,774	-	(34,390)	-
Bond interest paid	<u>23,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,174)</u>	<u>-</u>
<b>Total governmental activities</b>	<b>\$ 6,406,426</b>	<b>\$ 45,298</b>	<b>\$ 825,518</b>	<b>\$ 17,265</b>	<b>(5,518,345)</b>	<b>-</b>
<b>Component units:</b>						
Moreno Valley High School Charter School	<u>\$ 1,191,794</u>	<u>\$ 4,478</u>	<u>\$ 136,696</u>	<u>\$ 95,764</u>	<u>-</u>	<u>(954,856)</u>
<b>General revenues:</b>						
<b>Property Taxes:</b>						
					181,766	-
					(1,303,562)	-
					933,413	-
					3,455,803	831,057
					520	-
					-	65,236
					<u>3,267,940</u>	<u>896,293</u>
					(14,959)	(46,089)
					<u>(2,265,364)</u>	<u>(104,652)</u>
					21,532,379	2,784,652
					-	(4,867)
					<u>21,532,379</u>	<u>2,779,785</u>
					<u>\$ 19,267,015</u>	<u>\$ 2,675,133</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, 2012

	General Fund	Entitlement IDEA-B Fund #24106	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700
<b>ASSETS</b>				
Pooled cash and investments	\$ 222,728	\$ 20,262	\$ 1,000,009	\$ 1,716,840
Receivables:				
Delinquent property taxes	22,211	-	65,914	113,597
Grant	-	24,738	-	-
Due from other governments	2,525	-	2,482	12,335
Due from other funds	77,000	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total assets	<u>\$ 324,464</u>	<u>\$ 45,000</u>	<u>\$ 1,068,405</u>	<u>\$ 1,842,772</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 12,426	\$ -	\$ -	\$ 1,341
Due to other funds	-	45,000	-	-
Deferred revenue:				
Federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>20,398</u>	<u>-</u>	<u>63,746</u>	<u>104,784</u>
Total liabilities	<u>32,824</u>	<u>45,000</u>	<u>63,746</u>	<u>106,125</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	1,004,659	1,736,647
Debt service	-	-	-	-
Unassigned	<u>291,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>291,640</u>	<u>-</u>	<u>1,004,659</u>	<u>1,736,647</u>
Total liabilities and fund balance	<u>\$ 324,464</u>	<u>\$ 45,000</u>	<u>\$ 1,068,405</u>	<u>\$ 1,842,772</u>

(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

Balance Sheet  
June 30, 2012

	Ed Technology Equipment Act <u>Fund #31900</u>	Ed Tech Debt Service <u>Fund #43000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ 1,216,791	\$ 516,021	\$ 86,242	\$ 4,778,893
Receivables:				
Delinquent property taxes	-	73,017	2,046	276,785
Grant	-	-	21,221	45,959
Due from other governments	-	6,398	-	23,740
Due from other funds	-	-	-	77,000
USDA commodities inventory	-	-	1,027	1,027
Food inventory	<u>-</u>	<u>-</u>	<u>2,148</u>	<u>2,148</u>
 Total assets	 <u>\$ 1,216,791</u>	 <u>\$ 595,436</u>	 <u>\$ 112,684</u>	 <u>\$ 5,205,552</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 18,338	\$ -	\$ -	\$ 32,105
Due to other funds	-	-	32,000	77,000
Deferred revenue:				
Federal, state, and local grants	-	-	18,900	18,900
Delinquent property taxes	<u>-</u>	<u>68,333</u>	<u>2,043</u>	<u>259,304</u>
 Total liabilities	 <u>18,338</u>	 <u>68,333</u>	 <u>52,943</u>	 <u>387,309</u>
 Fund balance:				
Non-spendable:				
Inventories	-	-	3,175	3,175
Restricted for:				
Special revenue funds	-	-	52,648	52,648
Capital projects funds	1,198,453	-	-	3,939,759
Debt service	-	527,103	3,918	531,021
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,640</u>
 Total fund balance	 <u>1,198,453</u>	 <u>527,103</u>	 <u>59,741</u>	 <u>4,818,243</u>
 Total liabilities and fund balance	 <u>\$ 1,216,791</u>	 <u>\$ 595,436</u>	 <u>\$ 112,684</u>	 <u>\$ 5,205,552</u>

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

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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, 2012

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

Fund balances - total governmental funds	\$	4,818,243
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		25,163,555
Accumulated depreciation		(9,258,199)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		259,304
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		(1,750,000)
Accrued interest payable		(16,129)
Bond issue costs		52,471
Bond premiums		<u>(2,230)</u>
Net assets of governmental activities	\$	<u>19,267,015</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, 2012

	General Fund	Entitlement IDEA-B Fund #24106	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700	Ed Technology Equipment Act Fund #31900	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
Revenues:								
Federal sources:								
Forest reserve	6,423	-	-	-	-	-	-	6,423
Federal flowthrough grants	-	102,897	-	-	-	-	117,525	220,422
Federal direct grants	2,475	-	-	-	-	-	73,010	75,485
Food and milk reimbursements	-	-	-	-	-	-	152,827	152,827
USDA Commodities	-	-	-	-	-	-	11,947	11,947
State sources:								
State equalization guarantee	3,433,261	-	-	-	-	-	-	3,433,261
Transportation	322,099	-	-	-	-	-	-	322,099
State instructional material	15,330	-	-	-	-	-	-	15,330
State grant	16,974	-	-	11,677	-	-	8,445	37,096
Local sources:								
Grant	-	-	-	-	-	-	15,000	15,000
District school tax levy	161,368	-	97,010	859,672	-	403,659	178	1,521,887
Fees and activities	5,685	-	-	-	-	-	39,613	45,298
Earnings from investments	402	-	2,952	2,373	263	576	118	6,684
Miscellaneous	5,871	-	-	10,248	-	-	-	16,119
<b>Total revenue</b>	<b>\$ 3,969,888</b>	<b>\$ 102,897</b>	<b>\$ 99,962</b>	<b>\$ 883,970</b>	<b>\$ 263</b>	<b>\$ 404,235</b>	<b>\$ 418,663</b>	<b>\$ 5,879,878</b>

(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, 2012

	General Fund	Entitlement IDEA-B Fund #24106	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700	Ed Technology Equipment Act Fund #31900	Ed Tech Debt Service Fund #43000	Other Governmental Funds	Total Governmental Funds
Expenditures:								
Current:								
Instruction	2,283,963	46,881	-	-	-	-	121,944	2,452,788
Support Services:								
Students	473,815	17,677	-	-	-	-	18,144	509,636
Instruction	18,287	-	-	-	-	-	74,293	92,580
General Administration	\$ 214,225	\$ -	\$ 915	\$ 7,863	\$ -	\$ 3,776	\$ 2	\$ 226,781
School Administration	\$ 234,085	\$ 38,339	\$ -	\$ -	\$ -	\$ -	\$ 14,862	\$ 287,286
Central Services	74,086	-	-	-	-	-	-	74,086
Operation & Maintenance of Plant	550,033	-	-	152,016	749,581	-	-	1,451,630
Student Transportation	321,278	-	-	-	-	-	-	321,278
Food Services Operations	-	-	-	-	-	-	201,775	201,775
Capital outlay	-	-	436,922	1,121,432	86,547	-	-	1,644,901
Debt service:								
Principal retirement	-	-	-	-	-	525,000	-	525,000
Bond interest paid	-	-	-	-	-	11,156	-	11,156
Bond issuance costs	-	-	-	-	52,471	-	-	52,471
<b>Total expenditures</b>	<b>4,169,772</b>	<b>102,897</b>	<b>437,837</b>	<b>1,281,311</b>	<b>888,599</b>	<b>539,932</b>	<b>431,020</b>	<b>7,851,368</b>
Excess (deficiency) of revenues over expenditures	(199,884)	-	(337,875)	(397,341)	(888,336)	(135,697)	(12,357)	(1,971,490)
Other financing sources and financing uses:								
Sale of bonds	-	-	-	-	1,750,000	-	-	1,750,000
Bond premium	-	-	-	-	2,230	-	-	2,230
Refunds	-	-	-	-	-	-	(13,761)	(13,761)
<b>Total other financing sources and financing uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,752,230</b>	<b>-</b>	<b>(13,761)</b>	<b>1,738,469</b>
<b>Net change in fund balance</b>	<b>(199,884)</b>	<b>-</b>	<b>(337,875)</b>	<b>(397,341)</b>	<b>863,894</b>	<b>(135,697)</b>	<b>(26,118)</b>	<b>(233,021)</b>
Fund balance at beginning of the year	491,524	-	1,342,534	2,133,988	334,559	662,800	85,859	5,051,264
Fund balance at end of the year	\$ 291,640	\$ -	\$ 1,004,659	\$ 1,736,647	\$ 1,198,453	\$ 527,103	\$ 59,741	\$ 4,818,243

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

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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, 2012

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

Net change in fund balance - total governmental funds	\$ (233,021)
<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	1,644,901
Depreciation	(765,412)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p>Deferred property taxes at:</p>	
June 30, 2011	(1,969,574)
June 30, 2012	259,304
<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	525,000
Bonds sold	(1,750,000)
Current year issuance costs	52,471
Issuance cost amortization	(1,467)
Current year bond premiums	(2,230)
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>Accrued interest at:</p>	
June 30, 2011	(16,129)
June 30, 2012	5,578
Loss on asset disposal	<u>(14,959)</u>
Change in net assets of governmental activities	<u>\$ (2,265,364)</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Forest reserve	\$ 6,690	\$ 6,690	\$ 6,423	\$ (267)
Federal grant	-	-	2,475	2,475
State sources:				
State equalization guarantee	3,429,868	3,442,638	3,433,261	(9,377)
Transportation	307,535	322,099	322,099	-
State instructional material	16,726	15,046	15,330	284
State grant	15,319	15,319	16,974	1,655
Local sources:				
District school tax levy	153,336	153,436	166,179	12,743
Fees and activities	6,000	6,000	5,685	(315)
Earnings from investments	1,500	1,500	401	(1,099)
Miscellaneous	-	-	5,871	5,871
Total revenues	<u>3,936,974</u>	<u>3,962,728</u>	<u>3,974,698</u>	<u>11,970</u>
<b>Expenditures:</b>				
Current:				
Instruction	2,419,982	2,374,140	2,284,404	89,736
Support Services:				
Students	505,981	503,859	473,815	30,044
Instruction	21,293	21,791	18,287	3,504
General Administration	202,775	227,496	213,468	14,028
School Administration	191,374	239,199	234,085	5,114
Central Services	70,940	74,136	74,087	49
Operation & Maintenance of Plant	618,169	601,083	542,702	58,381
Student Transportation	307,535	322,099	321,278	821
Other Support Services	<u>19,888</u>	<u>19,888</u>	<u>-</u>	<u>19,888</u>
Total expenditures	<u>4,357,937</u>	<u>4,383,691</u>	<u>4,162,126</u>	<u>221,565</u>
Excess (deficiency) of revenues over expenditures	(420,963)	(420,963)	(187,428)	233,535
Beginning cash balance budgeted	420,963	420,963	-	(420,963)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>491,524</u>	<u>491,524</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>304,096</u>	<u>\$ 304,096</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			17,396	
Change in due from other governments			(1,808)	
Change in payables			(7,646)	
Change in deferred property taxes			<u>(20,398)</u>	
			<u>\$ 291,640</u>	

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

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ENTITLEMENT IDEA-B FUND - NO. 24106  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 117,753	\$ 165,275	\$ 142,883	\$ (22,392)
<b>Expenditures:</b>				
Current:				
Instruction	43,488	46,888	46,881	7
Support Services:				
Students	12,112	22,803	17,677	5,126
School Administration	36,123	45,932	38,339	7,593
Central Services	26,030	49,652	-	49,652
Total expenditures	117,753	165,275	102,897	62,378
Excess of revenues over expenditures	-	-	39,986	39,986
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	39,986	\$ 39,986
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(39,986)	
			\$ -	

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, 2012

ASSETS

Pooled cash and investments	\$ <u>111,597</u>
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LIABILITIES

Deposits held for others	\$ <u>111,597</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, 2012

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STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF ALL 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, 2012

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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 inter-fund 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, 2012

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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.

Entitlement IDEA-B Special Revenue Fund – The Entitlement 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.

Capital Improvements HB-33 Capital Projects 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 Projects 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 Technology Equipment Act Capital Projects Fund – 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.

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.



STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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

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.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund 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 uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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. 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*

It is the District's policy to permit employees to accumulate 36 days of earned but unused vacation, which will be paid to employees upon separation from the District's service. The amount for liability has been reported in the government-wide financial statements.

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

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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, 2012.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, 2012.

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.

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 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.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

b. Restricted net assets

Net assets is 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 consists of net assets that does 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 is 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.

9. *Indirect Costs*

The 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.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 \$3,433,261 in state equalization guarantee distributions during the year ended June 30, 2012.

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 \$322,099 in transportation distributions during the year ended June 30, 2012.

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.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

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.
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.



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

Notes to the Financial Statements  
June 30, 2012

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

**A. Budgetary Information (continued)**

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, 2012 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,357,937	\$ 4,370,821
Special Revenue Fund	434,741	723,019
Capital Projects Fund	6,175,914	7,933,151
Debt Service Fund	1,076,141	1,076,141
Totals	\$ 12,044,733	\$ 14,103,132

**B. Budgetary Violations**

There were no budgetary violations during the year ended June 30, 2012.

**C. Deficit Fund Equity**

There were not any deficit fund balances as of June 30, 2012.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Temporary Investments**

At June 30, 2012, the carrying amount of the District's deposits was \$4,890,490 and the bank balance was \$5,355,942 with the difference consisting of outstanding checks. Of this balance \$1,465,250 was covered by federal depository insurance and \$2,503,092 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, 2012

**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, 2012, \$1,385,272 of the District's bank balance of \$5,355,942 was exposed to custodial risk as follows:

	International <u>Bank</u>	Bank of <u>Albuquerque</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 1,385,272	\$ -	\$ 1,385,272
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>2,505,420</u>	<u>-</u>	<u>2,505,420</u>
Total uninsured	3,890,692	-	3,890,692
Insured (FDIC)	<u>250,000</u>	<u>1,215,250</u>	<u>1,465,250</u>
Total deposits	<u>\$ 4,140,692</u>	<u>\$ 1,215,250</u>	<u>\$ 5,355,942</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ -	\$ 1,187,282	\$ 1,187,282
Pledged security	<u>-</u>	<u>2,503,092</u>	<u>2,503,092</u>
Over collateralization	<u>\$ -</u>	<u>\$ 1,315,810</u>	<u>\$ 1,315,810</u>

The collateral pledged is listed on Page 116 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. Additionally, banks that are covered by the FDIC are insured for 100% of non-interest earnings accounts. The District's deposits with Wells Fargo Bank qualified for this coverage.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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>	<u>Entitlement IDEA-B</u>	<u>Capital Improvements HB-33</u>	<u>Capital Improvements SB-9</u>	<u>Ed Tech Equip Act</u>	<u>Ed Tech Debt Service</u>	<u>Other Governmental Funds</u>
Receivables:							
Delinquent property taxes	\$ 22,211	\$ -	\$ 65,914	\$ 113,597	\$ -	\$ 73,017	\$ 2,046
Grant	-	24,738	-	-	-	-	21,221
Due from other:							
Governments	<u>2,525</u>	<u>-</u>	<u>2,482</u>	<u>12,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 24,736</u>	<u>\$ 24,738</u>	<u>\$ 385,886</u>	<u>\$ 385,886</u>	<u>\$ 385,886</u>	<u>\$ 73,017</u>	<u>\$ 23,267</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	\$ -	\$ 18,900
Delinquent property taxes		
General Fund	20,398	-
Capital Improvements HB-33	63,746	-
Capital Improvements SB - 9	104,784	-
Ed Tech Debt Service	68,333	-
Other Governmental Funds	<u>2,043</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 259,304</u>	<u>\$ 18,900</u>

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

Notes to the Financial Statements  
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,041,046	\$ -	\$ -	\$ 1,041,046
Construction in progress	24,255	391,678	-	415,933
<b>Total capital assets, not being depreciated</b>	<u>\$ 1,065,301</u>	<u>\$ 391,678</u>	<u>\$ -</u>	<u>\$ 1,456,979</u>
Capital assets, being depreciated:				
Land improvements	\$ 828,151	\$ 158,358	\$ -	\$ 986,509
Buildings and improvements	18,249,359	931,204	(1,500)	19,179,063
Furniture, fixtures, and equipment	3,515,727	163,661	(138,384)	3,541,004
<b>Total capital assets being depreciated</b>	<u>22,593,237</u>	<u>1,253,223</u>	<u>(139,884)</u>	<u>23,706,576</u>
Less accumulated depreciation for:				
Land improvements	(107,406)	(55,327)	-	(162,733)
Buildings and improvements	(6,468,422)	(498,458)	1,500	(6,965,380)
Furniture, fixtures, and equipment	(2,041,884)	(211,627)	123,425	(2,130,086)
<b>Total accumulated depreciation</b>	<u>(8,617,712)</u>	<u>(765,412)</u>	<u>124,925</u>	<u>(9,258,199)</u>
<b>Total capital assets being depreciated, net</b>	<u>\$ 13,975,525</u>	<u>\$ 487,811</u>	<u>\$ (14,959)</u>	<u>\$ 14,448,377</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 334,271
Support Services - Students	69,454
Support Services - Instruction	12,617
Support Services - General Administration	30,906
Support Services - School Administration	39,152
Central Services	10,097
Operations & Maintenance of Plant	197,831
Student Transportation	43,784
Food Services	27,300
<b>Total Depreciation Expense</b>	<u>\$ 765,412</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

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

Notes to the Financial Statements  
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Construction commitments

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$3,939,759 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, 2012 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 77,000	\$ -
Entitlement IDEA-B	-	45,000
Other Governmental Funds	-	32,000
Total deferred/unearned revenue for governmental funds	\$ 77,000	\$ 77,000

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

E. Inter-Fund Transfers

There were no inter-fund transfers made during the year ended June 30, 2012.

F. Long-Term Debt

General Obligation Bonds

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. The details of the bonds and notes as of June 30, 2012 are as follows:

		<u>Original</u>		<u>Balance</u>	<u>Amount Due</u>
<u>General Obligations Bonds</u>	<u>Series</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>June 30, 2012</u>	<u>Within One Year</u>
	2011	\$ 1,750,000	1.20% to 2.60%	\$ 1,750,000	\$ 350,000

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

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt (continued)

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

General Obligation Bonds			
Year Ending			Total
June 30,	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2013	\$ 350,000	\$ 36,925	\$ 386,925
2014	350,000	16,450	366,450
2015	350,000	12,075	362,075
2016	350,000	7,350	357,350
2017	<u>350,000</u>	<u>2,450</u>	<u>352,450</u>
Total	<u>\$ 1,750,000</u>	<u>\$ 75,250</u>	<u>\$ 1,825,250</u>

Changes in long term debt – During the year ended June 30, 2012 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning</u>		<u>Ending</u>	<u>Amount Due</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
				<u>Within One Year</u>
Bonds payable	\$ 525,000	\$ 1,750,000	\$ 525,000	\$ 1,750,000
				<u>\$ 350,000</u>

	Balance
	<u>June 30, 2012</u>
Bonds payable	\$ 1,750,000
Less: current maturities	(350,000)
Unamortized:	
Bond premiums	2,230
Total non-current liabilities	<u>\$ 1,402,230</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, 2012

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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, 2012.

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 the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes 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](http://www.nmerb.org)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Effective July 1, 2011 through June 30, 2012, 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 11.15% 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 9.15% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2012 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, 2012, 2011 and 2010 were \$244,415, \$327,205, and \$386,784, respectively, equal to the amount of the required contribution for the year.

D. Post-Retirement Health Care Benefits

Plan Description – Cimarron Municipal School District No. 3's 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, 2012

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IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority  
4308 Carlisle NE, Suite 104  
Albuquerque, NM 87107

Funding Policy – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer’s RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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>
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, 2012, 2011, and 2010 were \$48,004, \$43,109, and \$40,321, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements  
June 30, 2012

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IV. OTHER INFORMATION (continued)

E. Cash Flows

The District's 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's 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.

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.

G. Restatement

The component unit has been restated \$4,867 for misstatement of cash in the prior year as detailed in the finding F2012 – 2 on page 125.

H. Subsequent Events

Subsequent events were evaluated through September 13, 2012, which is the date the financial statements were available to be issued.

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

**GENERAL FUNDS  
Year Ended June 30, 2012**

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**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, 2012

	<b>General Funds</b>			
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Funds
<b>ASSETS</b>				
Pooled cash and investments	\$ 204,802	\$ 1,341	\$ 16,585	\$ 222,728
Receivables:				
Delinquent property taxes	22,211	-	-	22,211
Due from other governments	2,525	-	-	2,525
Due from other funds	77,000	-	-	77,000
Total assets	\$ 306,538	\$ 1,341	\$ 16,585	\$ 324,464
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 12,426	\$ -	\$ -	\$ 12,426
Deferred revenue:				
Delinquent property taxes	20,398	-	-	20,398
Total liabilities	32,824	-	-	32,824
Fund balance:				
Unassigned	273,714	1,341	16,585	291,640
Total liabilities and fund balance	\$ 306,538	\$ 1,341	\$ 16,585	\$ 324,464

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, 2012

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
<b>Revenues:</b>				
<b>Federal sources:</b>				
Forest reserve	6,423	-	-	6,423
Federal direct grants	2,475	-	-	2,475
<b>State sources:</b>				
State equalization guarantee	3,433,261	-	-	3,433,261
Transportation	-	322,099	-	322,099
State instructional material	-	-	15,330	15,330
State grant	16,974	-	-	16,974
<b>Local sources:</b>				
District school tax levy	161,368	-	-	161,368
Fees and activities	5,685	-	-	5,685
Earnings from investments	402	-	-	402
Miscellaneous	5,871	-	-	5,871
Total revenue	\$ 3,632,459	\$ 322,099	\$ 15,330	\$ 3,969,888
 (continued)				
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	\$ 2,252,870	\$ -	\$ 31,093	\$ 2,283,963
<b>Support Services:</b>				
Students	473,815	-	-	473,815
Instruction	18,287	-	-	18,287
General Administration	214,225	-	-	214,225
School Administration	234,085	-	-	234,085
Central Services	74,086	-	-	74,086
Operation & Maintenance of Plant	550,033	-	-	550,033
Student Transportation	-	321,278	-	321,278
Total expenditures	3,817,401	321,278	31,093	4,169,772
Excess (deficiency) of revenues over expenditures	(184,942)	821	(15,763)	(199,884)
Fund balance at beginning of the year	458,656	520	32,348	491,524
Fund balance at end of the year	\$ 273,714	\$ 1,341	\$ 16,585	\$ 291,640

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OPERATIONAL FUND - NO. 11000  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Forest reserve	\$ 6,690	\$ 6,690	\$ 6,423	\$ (267)
Federal grant	-	-	2,475	2,475
State sources:				
State equalization guarantee	3,429,868	3,442,638	3,433,261	(9,377)
State grant	15,319	15,319	16,974	1,655
Local sources:				
District school tax levy	153,336	153,436	166,179	12,743
Fees and activities	6,000	6,000	5,685	(315)
Earnings from investments	1,500	1,500	401	(1,099)
Miscellaneous	-	-	5,871	5,871
Total revenues	3,612,713	3,625,583	3,637,269	11,686
<b>Expenditures:</b>				
Current:				
Instruction	2,379,378	2,335,216	2,253,235	81,981
Support Services:				
Students	505,981	503,859	473,815	30,044
Instruction	17,829	18,327	18,287	40
General Administration	202,775	227,496	213,468	14,028
School Administration	191,374	239,199	234,085	5,114
Central Services	70,940	74,136	74,087	49
Operation & Maintenance of Plant	618,169	601,083	542,702	58,381
Other Support Services	19,888	19,888	-	19,888
Total expenditures	4,006,334	4,019,204	3,809,679	209,525
Excess (deficiency) of revenues over expenditures	(393,621)	(393,621)	(172,410)	221,211
Beginning cash balance budgeted	393,621	393,621	-	(393,621)
Fund balance at beginning of the year	-	-	458,656	458,656
Fund balance at end of the year	\$ -	\$ -	286,246	\$ 286,246
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			17,396	
Change in due from other governments			(1,808)	
Change in payables			(7,722)	
Change in deferred property taxes			(20,398)	
			\$ 273,714	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TRANSPORTATION FUND - NO. 13000  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
State sources:				
Transportation	\$ 307,535	\$ 322,099	\$ 322,099	\$ -
 <b>Expenditures:</b>				
Current:				
Support Services:				
Student Transportation	<u>307,535</u>	<u>322,099</u>	<u>321,278</u>	<u>821</u>
Excess of revenues over expenditures	-	-	821	821
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>520</u>	<u>520</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,341	<u>\$ 1,341</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>-</u>	
			<u>\$ 1,341</u>	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INSTRUCTIONAL MATERIALS FUND - NO. 14000  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
<b>Revenues:</b>				
State sources:				
State instructional material	\$ 16,726	\$ 15,046	\$ 15,330	\$ 284
 <b>Expenditures:</b>				
Current:				
Instruction	40,604	38,924	31,169	7,755
Support Services:				
Instruction	<u>3,464</u>	<u>3,464</u>	-	<u>3,464</u>
Total expenditures	<u>44,068</u>	<u>42,388</u>	<u>31,169</u>	<u>11,219</u>
Excess (deficiency) of revenues over expenditures	(27,342)	(27,342)	(15,839)	11,503
Beginning cash balance budgeted	27,342	27,342	-	(27,342)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>32,348</u>	<u>32,348</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	16,509	<u>\$ 16,509</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>76</u>	
			<u>\$ 16,585</u>	



## **NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	<b>Special Revenue Funds</b>		
	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 3,311	\$ 1,010	\$ 18,255
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	-
USDA commodities inventory	1,027	-	-
Food inventory	<u>2,148</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 6,486</u>	 <u>\$ 1,010</u>	 <u>\$ 18,255</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	18,255
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>18,255</u>
Fund balance:			
Non-spendable:			
Inventories	3,175	-	-
Restricted for:			
Special revenue funds	3,311	1,010	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
 Total fund balance	 <u>6,486</u>	 <u>1,010</u>	 <u>-</u>
 Total liabilities and fund balance	 <u>\$ 6,486</u>	 <u>\$ 1,010</u>	 <u>\$ 18,255</u>

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	<b>Special Revenue Funds</b>		
	Discretionary IDEA-B <u>Fund #24107</u>	Preschool IDEA-B <u>Fund #24109</u>	Title II (Math/Science) <u>Fund #24115</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ -	\$ 340	\$ -
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	4,660	-
USDA commodities inventory	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	5,000	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>5,000</u>	<u>-</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	Special Revenue Funds		
	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title II Teacher Quality <u>Fund #24154</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ -	\$ (7)	\$ 3,936
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	7	11,064
USDA commodities inventory	-	-	-
Food inventory	-	-	-
	-----	-----	-----
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	15,000
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	-	-	-
	-----	-----	-----
Total liabilities	-	-	<u>15,000</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	-
Debt service	-	-	-
	-----	-----	-----
Total fund balance	-	-	-
	-----	-----	-----
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000</u>

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	Special Revenue Funds		
	ARRA - Preschool IDEA-B <u>Fund #24209</u>	Title XIX Medicaid <u>Fund #25153</u>	Teacher Quality Enhancement <u>Fund #25214</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ -	\$ 4,000	\$ 217
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	-
USDA commodities inventory	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 217</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	4,000	-
Deferred revenue:			
Federal, state, and local grants	-	-	217
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>4,000</u>	<u>217</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 217</u>

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	Special Revenue Funds		
	Rural		
	Education		
	Achievement Program <u>Fund #25233</u>	ARRA - State Revitalization <u>Fund #25250</u>	Education Jobs <u>Fund #25255</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 8,000	\$ 428	\$ -
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	-
USDA commodities inventory	-	-	-
Food inventory	-	-	-
	-	-	-
Total assets	\$ 8,000	\$ 428	\$ -
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	8,000	-	-
Deferred revenue:			
Federal, state, and local grants	-	428	-
Delinquent property taxes	-	-	-
	-	-	-
Total liabilities	8,000	428	-
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	-
Debt service	-	-	-
	-	-	-
Total fund balance	-	-	-
Total liabilities and fund balance	\$ 8,000	\$ 428	\$ -

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	<b>Special Revenue Funds</b>		
	Turner Foundation <u>Fund #26156</u>	A Plus for Energy <u>Fund #26179</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 26,800	\$ 970	\$ (855)
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	855
USDA commodities inventory	-	-	-
Food inventory	-	-	-
	-	-	-
Total assets	\$ 26,800	\$ 970	\$ -
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	-	-	-
	-	-	-
Total liabilities	-	-	-
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	26,800	970	-
Debt service	-	-	-
	-	-	-
Total fund balance	26,800	970	-
Total liabilities and fund balance	\$ 26,800	\$ 970	\$ -

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	<b>Special Revenue Funds</b>		
	GO Bond Library <u>Fund #27105</u>	Library GO Bonds 2010 <u>Fund #27106</u>	Technology for Education <u>Fund #27117</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ (4,635)	\$ -	\$ 3,612
Receivables:			
Delinquent property taxes	-	-	-
Grant	4,635	-	-
USDA commodities inventory	-	-	-
Food inventory	-	-	-
	-	-	-
Total assets	\$ -	\$ -	\$ 3,612
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	-	-	-
	-	-	-
Total liabilities	-	-	-
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	-	3,612
Debt service	-	-	-
	-	-	-
Total fund balance	-	-	3,612
Total liabilities and fund balance	\$ -	\$ -	\$ 3,612

(continued)



STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	Special Revenue Funds		
	Incentives for School Improvement <u>Fund #27138</u>	State School Improvement <u>Fund #27143</u>	Mid-School Tutoring & Student Enhance <u>Fund #27153</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 7,393	\$ -	\$ -
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	-
USDA commodities inventory	-	-	-
Food inventory	-	-	-
Total assets	\$ 7,393	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	-	-	-
Total liabilities	-	-	-
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	7,393	-	-
Debt service	-	-	-
Total fund balance	7,393	-	-
Total liabilities and fund balance	\$ 7,393	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	<b>Special Revenue Funds</b>		
	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>	Library Books <u>Fund #27549</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 2,197	\$ -	\$ -
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	-
USDA commodities inventory	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,197</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	2,197	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>2,197</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 2,197</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	<b>Special Revenue Funds</b>		
	<u>NM Arts Div</u>	<u>Gear Up</u>	<u>CS Foundation</u>
	<u>Fund #28131</u>	<u>Fund #28178</u>	<u>Fund #29102</u>
<b>ASSETS</b>			
Pooled cash and investments	\$ -	\$ 59	\$ 7,296
Receivables:			
Delinquent property taxes	-	-	-
Grant	-	-	-
USDA commodities inventory	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 7,296</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	-	-	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Non-spendable:			
Inventories	-	-	-
Restricted for:			
Special revenue funds	-	59	7,296
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>59</u>	<u>7,296</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 7,296</u>

(continued)

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2012

	Total Non-Major Special Revenue Funds	Debt Service Fund #41000	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Pooled cash and investments	\$ 82,327	\$ 3,915	\$ 86,242
Receivables:			
Delinquent property taxes	-	2,046	2,046
Grant	21,221	-	21,221
USDA commodities inventory	1,027	-	1,027
Food inventory	<u>2,148</u>	<u>-</u>	<u>2,148</u>
 Total assets	 <u>\$ 106,723</u>	 <u>\$ 5,961</u>	 <u>\$ 112,684</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	32,000	-	32,000
Deferred revenue:			
Federal, state, and local grants	18,900	-	18,900
Delinquent property taxes	<u>-</u>	<u>2,043</u>	<u>2,043</u>
 Total liabilities	 <u>50,900</u>	 <u>2,043</u>	 <u>52,943</u>
Fund balance:			
Non-spendable:			
Inventories	3,175	-	3,175
Restricted for:			
Special revenue funds	52,648	-	52,648
Debt service	<u>-</u>	<u>3,918</u>	<u>3,918</u>
 Total fund balance	 <u>55,823</u>	 <u>3,918</u>	 <u>59,741</u>
 Total liabilities and fund balance	 <u>\$ 106,723</u>	 <u>\$ 5,961</u>	 <u>\$ 112,684</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, 2012

	Special Revenue Funds				
	Food Service	Athletics	Title I	Discretionary	Preschool
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>Fund #24107</u>	<u>Fund #24109</u>
<b>Revenues:</b>					
Federal sources:					
Federal flowthrough grants	-	-	74,398	1,783	12,541
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	152,827	-	-	-	-
USDA Commodities	11,947	-	-	-	-
State sources:					
State grant	1,419	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	30,102	9,511	-	-	-
Earnings from investments	<u>26</u>	<u>2</u>	-	-	-
Total revenue	<u>196,321</u>	<u>9,513</u>	<u>74,398</u>	<u>1,783</u>	<u>12,541</u>
<b>Expenditures:</b>					
Current:					
Instruction	-	10,207	25,058	-	12,541
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	46,389	-	-
General Administration	-	-	-	-	-
School Administration	-	-	2,951	-	-
Food Services Operations	<u>192,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>192,832</u>	<u>10,207</u>	<u>74,398</u>	<u>-</u>	<u>12,541</u>
Excess (deficiency) of revenues over expenditures	3,489	(694)	-	1,783	-
Other financing uses:					
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,783)</u>	<u>-</u>
Net change in fund balance	3,489	(694)	-	-	-
Fund balance at beginning of the year	<u>2,997</u>	<u>1,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 6,486</u>	<u>\$ 1,010</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, 2012

	Special Revenue Funds				
	Title II (Math/Science) <u>Fund #24115</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title II Teacher Quality <u>Fund #24154</u>	ARRA - Preschool IDEA-B <u>Fund #24209</u>
<b>Revenues:</b>					
Federal sources:					
Federal flowthrough grants	794	8,943	7	19,059	-
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	-	-	-	-	-
<b>Total revenue</b>	<b>794</b>	<b>8,943</b>	<b>7</b>	<b>19,059</b>	<b>-</b>
<b>Expenditures:</b>					
Current:					
Instruction	-	-	7	19,059	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Food Services Operations	-	8,943	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>8,943</b>	<b>7</b>	<b>19,059</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	794	-	-	-	-
Other financing uses:					
Refunds	(794)	-	-	-	-
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, 2012

	Special Revenue Funds				
	Rural				
	Title XIX Medicaid <u>Fund #25153</u>	Teacher Quality Enhancement <u>Fund #25214</u>	Education Achievement Program <u>Fund #25233</u>	ARRA - State Revitalization <u>Fund #25250</u>	Education Jobs <u>Fund #25255</u>
	-	-	-	-	-
Revenues:					
Federal sources:					
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	27,864	-	43,545	-	1,601
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	27,864	-	43,545	-	1,601
Expenditures:					
Current:					
Instruction	180	-	25,648	-	1,601
Support Services:					
Students	15,773	-	2,371	-	-
Instruction	-	-	15,526	-	-
General Administration	-	-	-	-	-
School Administration	11,911	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	27,864	-	43,545	-	1,601
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Refunds	-	-	-	-	-
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, 2012

	Special Revenue Funds				
	Turner Foundation <u>Fund #26156</u>	A Plus for Energy <u>Fund #26179</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	GO Bond Library <u>Fund #27105</u>	Library GO Bonds 2010 <u>Fund #27106</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	2,391	4,635	-
Local sources:					
Grant	15,000	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	<u>44</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>15,044</u>	<u>4</u>	<u>2,391</u>	<u>4,635</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	16,335	601	2,391	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	4,635	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Food Services Operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,335</u>	<u>601</u>	<u>2,391</u>	<u>4,635</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(1,291)	(597)	-	-	-
Other financing uses:					
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,291)	(597)	-	-	-
Fund balance at beginning of the year	<u>28,091</u>	<u>1,567</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 26,800</u>	<u>\$ 970</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, 2012

	Special Revenue Funds				
	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	State School Improvement <u>Fund #27143</u>	Mid-School Tutoring & Student Enhance <u>Fund #27153</u>	Beginning Teacher Mentoring <u>Fund #27154</u>
<b>Revenues:</b>					
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	<u>15</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>15</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Current:					
Instruction	-	5,791	-	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	7,743	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Food Services Operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,743</u>	<u>5,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(7,728)	(5,775)	-	-	-
Other financing uses:					
Refunds	<u>-</u>	<u>-</u>	<u>(1,075)</u>	<u>(5,996)</u>	<u>-</u>
Net change in fund balance	(7,728)	(5,775)	(1,075)	(5,996)	-
Fund balance at beginning of the year	<u>11,340</u>	<u>13,168</u>	<u>1,075</u>	<u>5,996</u>	<u>2,197</u>
Fund balance at end of the year	<u>\$ 3,612</u>	<u>\$ 7,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,197</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, 2012

	Special Revenue Funds				
	Breakfast for Elementary Students <u>Fund #27155</u>	Library Books <u>Fund #27549</u>	NM Arts Div <u>Fund #28131</u>	Gear Up <u>Fund #28178</u>	CS Foundation <u>Fund #29102</u>
<b>Revenues:</b>					
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	-	-	-	-	<u>11</u>
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>
<b>Expenditures:</b>					
Current:					
Instruction	-	-	401	443	1,681
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>401</u>	<u>443</u>	<u>1,681</u>
Excess (deficiency) of revenues over expenditures	-	-	(401)	(443)	(1,670)
Other financing uses:					
Refunds	<u>(2,603)</u>	<u>(1,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,603)	(1,510)	(401)	(443)	(1,670)
Fund balance at beginning of the year	<u>2,603</u>	<u>1,510</u>	<u>401</u>	<u>502</u>	<u>8,966</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 7,296</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, 2012

	Total Nonmajor Special Revenue <u>Funds</u>	Debt Service <u>Fund #41000</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>			
Federal sources:			
Federal flowthrough grants	117,525	-	117,525
Federal direct grants	73,010	-	73,010
Food and milk reimbursements	152,827	-	152,827
USDA Commodities	11,947	-	11,947
State sources:			
State grant	8,445	-	8,445
Local sources:			
Grant	15,000	-	15,000
District school tax levy	-	178	178
Fees and activities	39,613	-	39,613
Earnings from investments	<u>118</u>	<u>-</u>	<u>118</u>
Total revenue	<u>418,485</u>	<u>178</u>	<u>418,663</u>
<b>Expenditures:</b>			
Current:			
Instruction	121,944	-	121,944
Support Services:			
Students	18,144	-	18,144
Instruction	74,293	-	74,293
General Administration	-	2	2
School Administration	14,862	-	14,862
Food Services Operations	<u>201,775</u>	<u>-</u>	<u>201,775</u>
Total expenditures	<u>431,018</u>	<u>2</u>	<u>431,020</u>
Excess (deficiency) of revenues over expenditures	(12,533)	176	(12,357)
Other financing uses:			
Refunds	<u>(13,761)</u>	<u>-</u>	<u>(13,761)</u>
Net change in fund balance	(26,294)	176	(26,118)
Fund balance at beginning of the year	<u>82,117</u>	<u>3,742</u>	<u>85,859</u>
Fund balance at end of the year	<u>\$ 55,823</u>	<u>\$ 3,918</u>	<u>\$ 59,741</u>

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## **BUDGETARY PRESENTATION**

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2012

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**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.

**DISCRETIONARY IDEA-B**

The 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.

**FRESH FRUITS AND VEGETABLES**

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

**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.

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

**NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2012**

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**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.

**ARRA – PRESCHOOL IDEA-B**

To provide grants to States to assist them to make available special education and related services for children with disabilities ages 3 through 5 years, and at a State's discretion, to 2-year-old children with disabilities who will reach age three during the school year.

**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 PROGRAM**

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).

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2012

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**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.

**LIBRARY GO BONDS 2010**

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2010 SB333

**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 IMPROVEMENTS**

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.

**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.



STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2012

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**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.

**CS FOUNDATION**

To assist the school in providing educational services.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FOOD SERVICE SPECIAL REVENUE FUND - NO. 21000  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	<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>		
<b>Revenues:</b>				
Federal sources:				
Food and milk reimbursements	\$ 128,500	\$ 156,092	\$ 152,827	\$ (3,265)
State sources:				
State grant	1,450	1,450	1,419	(31)
Local sources:				
Fees and activities	31,850	31,850	30,102	(1,748)
Earnings from investments	<u>31</u>	<u>31</u>	<u>26</u>	<u>(5)</u>
Total revenues	161,831	189,423	184,374	(5,049)
<b>Expenditures:</b>				
Current:				
Food Services Operations	<u>161,831</u>	<u>189,423</u>	<u>181,902</u>	<u>7,521</u>
Excess of revenues over expenditures	-	-	2,472	2,472
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,997</u>	<u>2,997</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>5,469</u>	<u>\$ 5,469</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			<u>1,017</u>	
			<u>\$ 6,486</u>	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ATHLETICS SPECIAL REVENUE FUND - NO. 22000  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	<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	\$ 9,511	\$ (1,289)
Earnings from investments	<u>15</u>	<u>15</u>	<u>2</u>	<u>(13)</u>
Total revenues	10,815	10,815	9,513	(1,302)
 Expenditures:				
Current:				
Instruction	<u>18,485</u>	<u>18,485</u>	<u>10,207</u>	<u>8,278</u>
Excess (deficiency) of revenues over expenditures	(7,670)	(7,670)	(694)	6,976
Beginning cash balance budgeted	7,670	7,670	-	(7,670)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,704</u>	<u>1,704</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,010	<u>\$ 1,010</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 1,010</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE I SPECIAL REVENUE FUND - NO. 24101  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 83,124	\$ 97,217	\$ 69,127	\$ (28,090)
<b>Expenditures:</b>				
Current:				
Instruction	33,513	47,606	25,058	22,548
Support Services:				
Instruction	46,649	46,649	46,389	260
School Administration	2,962	2,962	2,951	11
Total expenditures	83,124	97,217	74,398	22,819
Excess (deficiency) of revenues over expenditures	-	-	(5,271)	(5,271)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(5,271)	\$ (5,271)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			5,271	
			\$ -	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND - NO. 24107  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	<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 grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(1,783)	(1,783)
Net change in fund balance	-	-	(1,783)	(1,783)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,783)	<u>\$ (1,783)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>1,783</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PRESCHOOL IDEA-B SPECIAL REVENUE FUND - NO. 24109  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 12,000	\$ 15,696	\$ 11,083	\$ (4,613)
 Expenditures:				
Current:				
Instruction	<u>12,000</u>	<u>15,696</u>	<u>12,541</u>	<u>3,155</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,458)	(1,458)
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>	(1,458)	<u>\$ (1,458)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,458</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II (MATH/SCIENCE) SPECIAL REVENUE FUND - NO. 24115  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	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	-	-	-	-
 Other financing uses:				
Refunds	-	-	(794)	(794)
Net change in fund balance	-	-	(794)	(794)
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(794)	<u>\$ (794)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			794	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND - NO. 24118  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 9,048	\$ 8,943	\$ (105)
<b>Expenditures:</b>				
Current:				
Food Services Operations	-	9,048	8,943	105
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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

IDEA-B "RISK POOL" SPECIAL REVENUE FUND - NO. 24120  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 809	\$ -	\$ (809)
<b>Expenditures:</b>				
Current:				
Instruction	-	809	7	802
Excess (deficiency) of revenues over expenditures	-	-	(7)	(7)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7)	<u>\$ (7)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>7</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II TEACHER QUALITY SPECIAL REVENUE FUND - NO. 24154  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 19,153	\$ 19,064	\$ 21,968	\$ 2,904
<b>Expenditures:</b>				
Current:				
Instruction	<u>19,153</u>	<u>19,064</u>	<u>19,059</u>	<u>5</u>
Excess of revenues over expenditures	-	-	2,909	2,909
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>	<u>2,909</u>	<u>\$ 2,909</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>(2,909)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - PRESCHOOL IDEA-B SPECIAL REVENUE FUND - NO. 24209  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	<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 grant	\$ -	\$ -	\$ 2,587	\$ 2,587
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	2,587	2,587
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,587	<u>\$ 2,587</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(2,587)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE XIX MEDICAID SPECIAL REVENUE FUND - NO. 25153  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	<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	\$ 12,096	\$ 37,411	\$ 30,394	\$ (7,017)
Expenditures:				
Current:				
Instruction	526	3,526	2,710	816
Support Services:				
Students	11,570	21,933	15,773	6,160
School Administration	<u>-</u>	<u>11,952</u>	<u>11,911</u>	<u>41</u>
Total expenditures	<u>12,096</u>	<u>37,411</u>	<u>30,394</u>	<u>7,017</u>
Excess of revenues over expenditures	-	-	-	-
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>	<u>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,530)	
Change in payables			<u>2,530</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TEACHER QUALITY ENHANCEMENT SPECIAL REVENUE FUND - NO. 25214  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 218	\$ -	\$ (218)
<b>Expenditures:</b>				
Current:				
Instruction	-	218	-	218
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL EDUCATION ACHIEVEMENT PROGRAM SPECIAL REVENUE FUND - NO. 25233

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 67,728	\$ 57,091	\$ (10,637)
<b>Expenditures:</b>				
Current:				
Instruction	-	29,995	25,647	4,348
Support Services:				
Students	-	2,425	2,371	54
Instruction	-	35,308	15,527	19,781
Total expenditures	-	67,728	43,545	24,183
Excess of revenues over expenditures	-	-	13,546	13,546
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	13,546	\$ 13,546
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(13,546)	
			\$ -	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ARRA - STATE REVITALIZATION SPECIAL REVENUE FUND - NO. 25250  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

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

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

EDUCATION JOBS SPECIAL REVENUE FUND - NO. 25255  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 1,602	\$ 1,601	\$ (1)
<b>Expenditures:</b>				
Current:				
Instruction	-	1,602	1,601	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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TURNER FOUNDATION SPECIAL REVENUE FUND - NO. 26156  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Local sources:				
Grant	\$ -	\$ 43,091	\$ 15,000	\$ (28,091)
Earnings from investments	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
Total revenues	-	43,091	15,044	(28,047)
<b>Expenditures:</b>				
Current:				
Instruction	<u>-</u>	<u>43,091</u>	<u>16,335</u>	<u>26,756</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,291)	(1,291)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>28,091</u>	<u>28,091</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>26,800</u>	<u><u>\$ 26,800</u></u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>-</u>	
			<u><u>\$ 26,800</u></u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

A PLUS FOR ENERGY SPECIAL REVENUE FUND - NO. 26179  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	<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	\$ -	\$ 1,567	\$ -	\$ (1,567)
Earnings from investments	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Total revenues	-	1,567	4	(1,563)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>1,567</u>	<u>601</u>	<u>966</u>
Excess (deficiency) of revenues over expenditures	-	-	(597)	(597)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,567</u>	<u>1,567</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>970</u>	<u><u>\$ 970</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ 970</u></u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DUAL CREDIT INSTRUCTIONAL MATATERIALS SPECIAL REVENUE FUND - NO. 27103

Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 3,256	\$ 1,536	\$ (1,720)
<b>Expenditures:</b>				
Current:				
Instruction	-	3,256	2,391	865
Excess (deficiency) of revenues over expenditures	-	-	(855)	(855)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(855)	<u>\$ (855)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>855</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GO BOND LIBRARY SPECIAL REVENUE FUND - NO. 27105  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 4,864	\$ 2,105	\$ (2,759)
<b>Expenditures:</b>				
Current:				
Support Services:				
Instruction	-	4,864	4,634	230
Excess (deficiency) of revenues over expenditures	-	-	(2,529)	(2,529)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,529)	\$ (2,529)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			2,529	
			\$ -	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARY GO BONDS 2010 SPECIAL REVENUE FUND - NO. 27106  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

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

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND - NO. 27117  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 11,340	\$ -	\$ (11,340)
Local sources:				
Earnings from investments	-	-	15	15
Total revenues	-	11,340	15	(11,325)
<b>Expenditures:</b>				
Current:				
Support Services:				
Instruction	-	11,340	7,743	3,597
Excess (deficiency) of revenues over expenditures	-	-	(7,728)	(7,728)
Fund balance at beginning of the year	-	-	11,340	11,340
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,612	<u>\$ 3,612</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			<u>\$ 3,612</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND - NO. 27138  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	14,559	7,182	7,377
over expenditures	-	-	(7,166)	(7,166)
Fund balance at beginning of the year	-	-	13,168	13,168
Fund balance at end of the year	\$ -	\$ -	6,002	\$ 6,002
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			-	
			\$ 7,393	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATE SCHOOL IMPROVEMENT SPECIAL REVENUE FUND - NO. 27143  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
 Other financing uses:				
Refunds	-	-	(1,075)	(1,075)
Net change in fund balance	-	-	(1,075)	(1,075)
 Fund balance at beginning of the year	-	-	1,075	1,075
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

MID-SCHOOL TUTORING & STUDENT ENHANCE SPECIAL REVENUE FUND - NO. 27153

Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	<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	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(5,996)	(5,996)
Net change in fund balance	-	-	(5,996)	(5,996)
Fund balance at beginning of the year	-	-	5,996	5,996
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

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND - NO. 27154  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 2,198	\$ -	\$ (2,198)
<b>Expenditures:</b>				
Current:				
Instruction	-	2,198	-	2,198
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	2,197	2,197
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,197	<u>\$ 2,197</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			<u>\$ 2,197</u>	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND - NO. 27155  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

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

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARY BOOKS SPECIAL REVENUE FUND - NO. 27549  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	<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:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Refunds	-	-	(1,510)	(1,510)
Net change in fund balance	-	-	(1,510)	(1,510)
Fund balance at beginning of the year	-	-	1,510	1,510
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

NM ARTS DIV SPECIAL REVENUE FUND - NO. 28131  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

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

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GEAR UP SPECIAL REVENUE FUND - NO. 28178  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 502	\$ -	\$ (502)
<b>Expenditures:</b>				
Current:				
Instruction	-	502	443	59
Excess (deficiency) of revenues over expenditures	-	-	(443)	(443)
Fund balance at beginning of the year	-	-	502	502
Fund balance at end of the year	\$ -	\$ -	59	\$ 59
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			\$ 59	

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CS FOUNDATION SPECIAL REVENUE FUND - NO. 29102  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Local sources:				
Grant	\$ -	\$ 8,966	\$ -	\$ (8,966)
Earnings from investments	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Total revenues	-	8,966	11	(8,955)
<b>Expenditures:</b>				
Current:				
Instruction	<u>-</u>	<u>8,966</u>	<u>1,681</u>	<u>7,285</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,670)	(1,670)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>8,966</u>	<u>8,966</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>7,296</u>	<u><u>\$ 7,296</u></u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>-</u>	
			<u><u>\$ 7,296</u></u>	

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STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2012

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**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 - NO. 31600  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	1,264,668	1,264,668	158,877	(1,105,791)
Earnings from investments	<u>\$ 2,600</u>	<u>\$ 2,600</u>	<u>\$ 2,952</u>	<u>\$ 352</u>
Total revenues	<u>1,267,268</u>	<u>1,267,268</u>	<u>161,829</u>	<u>(1,105,439)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	11,349	11,349	915	10,434
Capital outlay:				
Equipment	-	20,000	-	20,000
Construction in progress	<u>2,599,980</u>	<u>2,579,980</u>	<u>436,922</u>	<u>2,143,058</u>
Total expenditures	<u>2,611,329</u>	<u>2,611,329</u>	<u>437,837</u>	<u>2,173,492</u>
Excess (deficiency) of revenues over expenditures	(1,344,061)	(1,344,061)	(276,008)	1,068,053
Beginning cash balance budgeted	1,344,061	1,344,061	-	(1,344,061)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,342,534</u>	<u>1,342,534</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,066,526</u>	<u>\$ 1,066,526</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(83,512)	
Change in due from other governments			(29,522)	
Change in deferred property taxes			<u>51,167</u>	
			<u>\$ 1,004,659</u>	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND - NO. 31700  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 11,137	\$ 11,677	\$ 540
Local sources:				
District school tax levy	865,025	865,125	885,485	20,360
Earnings from investments	1,000	1,000	2,373	1,373
Miscellaneous	<u>-</u>	<u>-</u>	<u>10,248</u>	<u>10,248</u>
Total revenues	<u>866,025</u>	<u>877,262</u>	<u>909,783</u>	<u>32,521</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
General Administration	7,785	7,885	7,862	23
Operation & Maintenance of Plant	650,500	654,500	376,624	277,876
Capital outlay:				
Equipment	200,000	200,000	29,185	170,815
Construction in progress	<u>2,326,375</u>	<u>2,333,512</u>	<u>1,084,196</u>	<u>1,249,316</u>
Total expenditures	<u>3,184,660</u>	<u>3,195,897</u>	<u>1,497,867</u>	<u>1,698,030</u>
Excess (deficiency) of revenues over expenditures	(2,318,635)	(2,318,635)	(588,084)	1,730,551
Beginning cash balance budgeted	2,318,635	2,318,635	-	(2,318,635)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,133,988</u>	<u>2,133,988</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,545,904</u>	<u>\$ 1,545,904</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			12,229	
Change in due from other governments			(10,145)	
Change in payables			216,557	
Change in deferred property taxes			<u>(27,898)</u>	
			<u>\$ 1,736,647</u>	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECTS FUND - NO. 31900  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ 300	\$ 300	\$ 2,493	\$ 2,193
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	350,425	1,965,025	779,327	1,185,698
Capital outlay:				
Equipment	30,000	165,400	93,065	72,335
Total expenditures	380,425	2,130,425	872,392	1,258,033
Excess (deficiency) of revenues over expenditures	(380,125)	(2,130,125)	(869,899)	1,260,226
Other financing sources:				
Sale of bonds	-	1,750,000	1,750,000	-
Net change in fund balance	(380,125)	(380,125)	880,101	1,260,226
Beginning cash balance budgeted	380,125	380,125	-	(380,125)
Fund balance at beginning of the year	-	-	334,559	334,559
Fund balance at end of the year	\$ -	\$ -	1,214,660	\$ 1,214,660
RECONCILIATION TO GAAP BASIS:				
Change in payables			(16,207)	
			\$ 1,198,453	

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUND  
Year Ended June 30, 2012

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**DEBT SERVICE FUND**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**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 - NO. 41000  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ _____ -	\$ _____ -	\$ _____ 175	\$ _____ 175
 <b>Expenditures:</b>				
Current:				
Support Services:				
General Administration	100	100	2	98
Debt service:				
Reserves	<u>3,492</u>	<u>3,492</u>	-	<u>3,492</u>
Total expenditures	<u>3,592</u>	<u>3,592</u>	<u>2</u>	<u>3,590</u>
Excess (deficiency) of revenues over expenditures	(3,592)	(3,592)	173	3,765
Beginning cash balance budgeted	3,592	3,592	-	(3,592)
Fund balance at beginning of the year	-	-	<u>3,742</u>	<u>3,742</u>
Fund balance at end of the year	<u>\$ _____ -</u>	<u>\$ _____ -</u>	3,915	<u>\$ _____ 3,915</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			(103,510)	
Change in deferred property taxes			<u>103,513</u>	
			<u>\$ _____ 3,918</u>	

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

**ED TECH DEBT SERVICE FUND - NO. 43000  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
<b>Local sources:</b>				
District school tax levy	\$ 536,156	\$ 536,156	\$ 439,466	\$ (96,690)
Earnings from investments	<u>50</u>	<u>50</u>	<u>576</u>	<u>526</u>
<b>Total revenues</b>	<u>536,206</u>	<u>536,206</u>	<u>440,042</u>	<u>(96,164)</u>
 <b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
General Administration	5,361	5,361	3,776	1,585
<b>Debt service:</b>				
Principal retirement	525,000	525,000	525,000	-
Bond interest paid	11,156	11,156	11,156	-
Reserves	<u>531,032</u>	<u>531,032</u>	<u>-</u>	<u>531,032</u>
<b>Total expenditures</b>	<u>1,072,549</u>	<u>1,072,549</u>	<u>539,932</u>	<u>532,617</u>
Excess (deficiency) of revenues over expenditures	(536,343)	(536,343)	(99,890)	436,453
Beginning cash balance budgeted	536,343	536,343	-	(536,343)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>662,800</u>	<u>662,800</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	562,910	<u>\$ 562,910</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			(1,620,985)	
Change in due from other governments			(18,708)	
Change in deferred property taxes			<u>1,603,886</u>	
			<u>\$ 527,103</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, 2012

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2012</u>
100	Pay Pal E-Store	\$ 226	\$ 1,190	\$ 865	\$ 551
400	Annual Yearbook	5,216	1,675	5,354	1,537
402	High School Art	1,587	2	124	1,465
403	Booster Club	12,472	13,930	9,131	17,271
405	Juan Martinez Scholarship	21,785	2,065	1,000	22,850
406	CHS Cheerleaders	1,852	3	-	1,855
407	High School Photography	93	-	-	93
408	Elementary MOP	2,935	1,724	1,425	3,234
409	Elementary Yearbook	869	979	1,013	835
410	Elementary Principal	725	2,368	2,411	682
411	Elementary Art	329	(1)	5	323
412	PeeWee Basketball	2,899	3	814	2,088
414	Elementary Reading	327	1	148	180
415	Class of 2012	1,859	4,729	5,012	1,576
416	District Nurse	363	-	-	363
417	Class of 2010	-	2,164	62	2,102
419	Class of 2011	1,124	182	1,306	-
420	Class of 2013	1,237	7,479	3,697	5,019
421	Class of 2014	453	784	218	1,019
424	CMS Student Council	317	1,942	1,638	621
426	ENEMS Principal	3,766	5,405	6,756	2,415
427	MS Admin	-	500	30	470
428	MS Barn Fund	5,007	7,147	5,087	7,067
429	Universal Classroom	427	-	400	27
430	MS Art	270	1	12	259
431	MS Yearbook	2,651	727	94	3,284
434	MS Student Council	750	233	946	37
438	MS Spanish Club	139	1	-	140
440	HS Principal	776	4,919	4,062	1,633
442	HS Student Council	975	1,497	1,827	645
446	Band-Music	1,395	16,671	15,312	2,754
449	HS Exploratory	\$ 136	231	367	\$ -

(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, 2012

Activity		Balance				Balance
Fund	ASSETS	<u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2012</u>
450	HS National Honor Society	\$ 310	\$ 739	\$ 678		\$ 371
451	Ram's Horn	3,981	5	272		3,714
452	RHOR	548	467	460		555
454	CHS Shop	231	25	-		256
455	HS Laser Shop/Business	1,710	202	242		1,670
458	Elementary VIP's	1,254	1,646	2,439		461
460	Zane Scholarship	12,244	626	500		12,370
461	100 Years of Excellence	200	-	200		-
463	ENEMS Library	501	-	-		501
464	ENEMS K-2 Teachers	1,740	4,910	5,026		1,624
465	ENEMS 3-4 Teachers	438	14,839	13,836		1,441
476	HS FCA	1,209	2	-		1,211
479	HS Graphic Art	140	76	-		216
481	CHS Rams E-Store	2,083	1	833		1,251
482	CHS Broadcast	1,912	548	-		2,460
483	Culinary Arts	367	20	-		387
485	ENEMS Beta Club	578	831	853		556
487	WERC Environmental Design	<u>220</u>	<u>1</u>	<u>63</u>		<u>158</u>
	Pooled cash and investments	<u>\$ 102,626</u>	<u>\$ 103,489</u>	<u>\$ 94,518</u>		<u>\$ 111,597</u>
	 LIABILITIES					
	Deposits held for others	<u>\$ 102,626</u>	<u>\$ 103,489</u>	<u>\$ 94,518</u>		<u>\$ 111,597</u>

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

**SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2012**

	<u>International Bank</u>	<u>Bank of Albuquerque</u>	<u>Total</u>
Cash on deposit at June 30, 2012	\$ 4,140,692	\$ 1,215,250	\$ 5,355,942
Less FDIC coverage	<u>250,000</u>	<u>1,215,250</u>	<u>1,465,250</u>
Uninsured funds	<u>\$ 3,890,692</u>	<u>\$ -</u>	<u>\$ 3,890,692</u>
50% collateral requirement	\$ 1,945,346	\$ -	\$ 1,945,346
Pledged collateral	<u>2,505,420</u>	<u>-</u>	<u>2,505,420</u>
Excess (deficiency) of pledged collateral	<u>\$ 560,074</u>	<u>\$ -</u>	<u>\$ 560,074</u>

Pledged collateral of financial institutions consists of the following at June 30, 2012

<u>International Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Questa SD	7/15/2012	748352CK9	\$ 203,040
West Las Vegas SD	12/15/2012	953769GJ9	86,396
FHLB	12/14/2012	3133XDTB7	638,750
FHLB	12/14/2012	3133XDTB7	383,250
FHLB	12/12/2013	31331TMU2	731,844
FHLB	6/13/2014	3133XKV7	54,340
FHLB	9/12/2014	313370JS8	203,900
FHLB	9/12/2014	313370JS8	203,900
			<u>\$ 2,505,420</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, 2012

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 325,105	\$ 3,637,270	\$ (3,809,679)	\$ 52,106	\$ 204,802	\$ -	\$ 204,802
Transportation	520	322,099	(321,278)	-	1,341	-	1,341
Instructional Materials	32,424	15,330	(31,169)	-	16,585	-	16,585
Food Services	840	184,374	(181,903)	-	3,311	-	3,311
Athletics	1,704	9,513	(10,207)	-	1,010	-	1,010
Federal Flowthrough Funds	1,617	256,591	(219,628)	4,206	42,786	-	42,786
Federal Direct Funds	54,099	89,087	(75,541)	(55,000)	12,645	-	12,645
Local Grants	29,658	15,047	(16,935)	-	27,770	-	27,770
State Flowthrough Funds	39,281	3,672	(33,135)	(2,106)	7,712	-	7,712
State Direct Funds	903	-	(844)	-	59	-	59
Local/State	8,966	11	(1,681)	-	7,296	-	7,296
Capital Improvements HB-33	1,276,017	161,828	(437,836)	-	1,000,009	-	1,000,009
Capital Improvements SB-9	2,304,924	909,783	(1,497,867)	-	1,716,840	-	1,716,840
Ed Technology Equipment Act	336,690	1,752,493	(872,392)	-	1,216,791	-	1,216,791
Debt Service	3,742	175	(2)	-	3,915	-	3,915
Ed Tech Debt Service	615,911	440,042	(539,932)	-	516,021	-	516,021
Agency Funds	-	-	-	-	-	111,597	111,597
<b>Total</b>	<b>\$ 5,032,401</b>	<b>\$ 7,797,315</b>	<b>\$ (8,050,029)</b>	<b>\$ (794)</b>	<b>\$ 4,778,893</b>	<b>\$ 111,597</b>	<b>\$ 4,890,490</b>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	
Operational	Checking - Interest	International Bank	\$ 72,732	Adjustments to report:
Cafeteria	Checking - Interest	International Bank	16,337	Agency funds
Activities	Checking - Interest	International Bank	103,390	
Federal	Checking - Interest	International Bank	58,299	Adjustments to cash:
HB 33	Checking - Interest	International Bank	1,156,796	Bank Balance
SB 9	Checking - Interest	International Bank	1,611,882	Cash on hand
Athletics	Checking - Interest	International Bank	1,282	Outstanding deposits
CHS E Store	Checking - Interest	International Bank	551	Outstanding checks
State and Local	Checking - Interest	International Bank	44,317	
Ed Tech	Checking - Interest	International Bank	15,507	Total adjustment to cash
Debt Service	Checking - Interest	International Bank	519,936	
Special Investment	Checking - Interest	International Bank	394,522	
SB 9 CD	CD	International Bank	133,265	
Zane Scholarship	CD	International Bank	11,876	
Ed Tech Bonds	Checking - Non-Interest	Bank of Albuquerque	1,215,250	
Payroll	Checking - Interest	International Bank	-	
			<u>\$ 5,355,942</u>	

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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  
The Board of Education and  
The Audit Committee of  
Cimarron Municipal School District No. 3

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Cimarron Municipal School District No. 3 as of and for the year ended June 30, 2012, and have issued our report thereon dated September 13, 2012. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. F2012-2.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency. F2012-1 and F 2012-3.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether agency'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 instances 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 responses as items F2012-2.

We also noted a certain other matter that is 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 finding F2012-2.

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, others within the Cimarron Municipal School District No. 3, the U.S. Department of Education, 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.

*Keystone Accounting LLC*

September 13, 2012  
Farmington, NM

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2012

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A. PRIOR YEAR AUDIT FINDINGS

CIMARRON MUNICIPAL SCHOOLS

No findings to report.

MORENO VALLEY HIGH SCHOOL

C2010 – 1 IMPRPOPER FUND ACCOUNTING

*Current Status:* Resolved. Not repeated in the current year.

MORENO VALLEY EDUCATION FOUNDATION

F2009 – 4 MISSTATEMENT OF CASH

*Current Status:* Not resolved. Repeated/Modified in the current year as finding F2012-2.

F2010 – 2 EXPENSES POSTED IN REVENUE ACCOUNTS

*Current Status:* Resolved. Not repeated in the current year.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT

CIMARRON MUNICIPAL SCHOOL DISTRICT

No findings to report.

MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL

No findings to report.

MORENO VALLEY EDUCATION FOUNDATION

F2012 – 1 FORM 1099 NOT ISSUED

Significant Deficiency?  
Yes

Material Weakness?  
No

Internal Control?  
Yes

Compliance?  
No

Other Matter?  
No

*Condition:* The foundation paid contractors for services and did not issue form 1099 for those disbursements.

*Criteria:* In accordance with IRS Tax Code Form 1099 is to be issued to contractors for services that exceed \$600.

*Effect of condition:* The Foundation's internal controls over proper reporting to federal, state and local governmental agencies were limited in its ability to insure compliance with laws and regulations.

*Cause:* Information was not recorded in a timely manner in order to allow timely reporting of information required for Form 1099 reporting.

*Recommendation:* Proper controls should be put into place to ensure proper reporting to the required federal, state and local governmental agencies, to insure compliance with laws and regulations.

*Management's Response:* No response.

STATE OF NEW MEXICO  
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES  
 Year Ended June 30, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION

F2012 – 2 MISSTATEMENT OF CASH  
 (Repeat of original finding number F2009 – 4)

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Internal Control?</u>	<u>Compliance?</u>	<u>Other Matter?</u>
No	Yes	Yes	Yes	Yes

*Condition:* Reconciliations of the bank balance were not completed accurately. Checks written in June of 2011 were not included in the prior year general ledger, and were not posted until September of 2011 to the June 2011 general ledger, creating a misstatement of cash by \$4,867. Also, two bank electronic funds transfer (EFT) were backdated to a date earlier than the date of the EFT. The first occurrence was an EFT dated on July 1, 2011 and was later recorded into the accounting system in June of 2011. The second occurrence was on November 1, 2011 and was later recorded into the accounting system in January of 2011.

*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 Foundation's internal controls over cash disbursements were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of documents. The lack of timely reconciliation of cash to the general ledger, and not recording checks until they clear the bank, caused the financial statements to be incorrect.

*Recommendation:* Controls should be put into place to ensure proper recording and reconciliation of financial information.

*Management's Response:* No response.

STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2012

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION

F2012 – 4 BACKUP DOCUMENTATION MISSING

Significant Deficiency?

Yes

Material Weakness?

No

Internal Control?

Yes

Compliance?

No

Other Matter?

No

*Condition:* Transactions were missing appropriate backup documentation for disbursements. Two stipends were paid for summer help in the amount of \$500 each without the documentation to support the expense

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The Foundation's internal controls over cash disbursements were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of documents.

*Cause:* Management is disbursing funds without proper documentation.

*Recommendation:* Controls should be put into place to ensure proper review and approval of documentation before payment is made.

*Management's Response:* No response.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

## **REQUIRED DISCLOSURE**

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STATE OF NEW MEXICO  
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

REQUIRED DISCLOSURES  
Year Ended June 30, 2012

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**REQUIRED DISCLOSURE**

The financial statements were prepared by the independent public accountants.

An exit conference was held September 13, 2012, during which the audit findings were discussed. The exit conference was attended by the following individuals:

**CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Valerie C. Garcia	Vice-President, Board of Education / Audit Committee
Owen G. McCulloch	Member, Board of Education /Finance Committee
Lori Crowson	Member, Audit Committee
James Gallegos	Superintendent
Lita Sanchez	Business Manager; Member, Audit Committee

**MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL**

Bill Bishop	Vice-President, Governing Council / Audit Committee
Jacque Boyd	Director
Joyce Burke	Member, Audit Committee

**KEYSTONE ACCOUNTING, LLC**

Terry Ogle, CPA	Partner
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