

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2008



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INTRODUCTORY SECTION

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ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		i
Official Roster		ii
FINANCIAL SECTION		
Independent Auditors' Report		iii
Management's Discussion and Analysis		v
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	1
Statement of Activities	A-2	3
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	5
Reconciliation of the Balance Sheet to the Statement of Net Assets		7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	11
Teacherage Fund	C-2	12
Transportation Fund	C-3	13
Instructional Materials Fund	C-4	14
Title I Special Revenue Fund	C-5	15
Statement of Fiduciary Assets and Liabilities – Agency Funds	D-1	16
Notes to the Financial Statements		17
	<u>Statement/ Schedule</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	36
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	37
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	48
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Food Services Special Revenue Fund	B-3	55
Athletics Special Revenue Fund	B-4	56
Entitlement IDEA-B Special Revenue Fund	B-5	57
Discretionary IDEA-B Special Revenue Fund	B-6	58
Preschool IDEA-B Special Revenue Fund	B-7	59
Technology Literacy Challenge Special Revenue Fund	B-8	60
Comprehensive School Reform Special Revenue Fund	B-9	61
Title V Part A Innovative Ed Pro Strategies Special Revenue Fund	B-10	62
Teacher / Principal Training / Recruiting Special Revenue Fund	B-11	63
Safe & Drug Free Schools & Community Special Revenue Fund	B-12	64
Title I – School Improvement Special Revenue Fund	B-13	65
Johnson O'Malley Special Revenue Fund	B-14	66

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008
TABLE OF CONTENTS (Continued)

	<u>Statement/ Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual: (Continued)		
Impact Aid Special Education Special Revenue Fund	B-15	67
Impact Aid Indian Education Special Revenue Fund	B-16	68
Title XIX Medicaid 3 / 21 Years Special Revenue Fund	B-17	69
Indian Ed Formula Grant Special Revenue Fund	B-18	70
Special Projects Demonstration Special Revenue Fund	B-19	71
GEAR UP USDE Special Revenue Fund	B-20	72
Native American Program Special Revenue Fund	B-21	73
Technology for Education PED Special Revenue Fund	B-22	74
Physical Education Classes Special Revenue Fund	B-23	75
Federal Relief Fund Special Revenue Fund	B-24	76
Pre K Initiative Special Revenue Fund	B-25	77
Indian Education Act Special Revenue Fund	B-26	78
Beginning Teacher Mentoring Program Special Revenue Fund	B-27	79
Breakfast for Elementary Students Special Revenue Fund	B-28	80
Pre Kindergarten Start Up Special Revenue Fund	B-29	81
Pre Kindergarten Three Plus Special Revenue Fund	B-30	82
After School Enrichment Program Special Revenue Fund	B-31	83
Pre Kindergarten State Special Revenue Fund	B-32	84
Libraries SB301 GO Bonds Special Revenue Fund	B-33	85
DWI NM Local Grant Fund Special Revenue Fund	B-34	86
Combining Balance Sheet – Nonmajor Capital Projects Funds	C-1	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	C-2	90
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Bond Building Capital Project Fund	C-3	92
Public Schools Capital Outlay Capital Project Fund	C-4	93
Special Capital Outlay-Local Capital Project Fund	C-5	94
Special Capital Outlay-State Capital Project Fund	C-6	95
Capital Improvements SB-9 Capital Project Fund	C-7	96
Energy Efficiency Act Capital Project Fund	C-8	97
Public Schools Capital Outlay – 20% Capital Project Fund	C-9	98
Combining Balance Sheet – Nonmajor Debt Service Funds	D-1	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	D-2	101
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Debt Service Fund	D-3	102
Deferred Sick Leave Debt Service Fund	D-4	103
SUPPORTING SCHEDULES		
Schedule of Changes in Assets and Liabilities – Agency Funds	I	104
Schedule of Collateral Pledged by Depository for Public Funds	II	107
Schedule of Cash and Temporary Investment Accounts	III	108
Cash Reconciliation	IV	109

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008
TABLE OF CONTENTS (Continued)

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	113
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FEDERAL FINANCIAL ASSISTANCE

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	115
Schedule of Expenditures of Federal Awards	V 117
Schedule of Findings and Responses	VI 120

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**OFFICIAL ROSTER
JUNE 30, 2008**

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
David Montoya		President
Julie Apachito		Vice President
Randell Major		Secretary
Abie Carabajal		Member
Gail Armstrong		Member
	<u>School Officials</u>	
Mike Chambers		Superintendent
R. Dorothy Zamora		Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Magdalena Municipal School District
Magdalena, New Mexico

We have audited the accompanying basic financial statements consisting of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column and the fiduciary fund column in the fund financial statements and the budgetary comparisons of the general and major special revenue funds of Magdalena Municipal School District, New Mexico, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Magdalena Municipal School District, New Mexico's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Magdalena Municipal School District, New Mexico, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Magdalena Municipal School District, New Mexico, as of June 30, 2008, and the respective budgetary comparisons of the major capital project fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008 on our consideration of Magdalena Municipal School District, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the Magdalena Municipal School District's basic financial statements and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. 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 Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 13, 2008

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Magdalena Muncipal School District

Michael Chambers, Superintendent

Management Discussion and Analysis For the Fiscal Year Ending June 30, 2008

This Management Discussion and Analysis of the fiscal performance of the MAGDALENA MUNICIPAL SCHOOL DISTRICT (District) for the period ending June 30, 2008 is an objective and easily readable discussion of the District's financial activities.

The discussion and analysis, as well as the Statement of Net Assts and Statement of Activities, provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2008. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's 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, Report on Compliance with Requirements Applicable to Each Major Program and Internal control Over Compliance in Accordance with OMB circular A-133, and a Schedule of Findings and Responses.

About MAGDALENA MUNICIPAL SCHOOL DISTRICT

To completely understand the financial discussion of MAGDALENA MUNICIPAL SCHOOL DISTRICT, it is important to understand the nature of the District. The Village of Magdalena is located on the edge of the Cibola National Forest at the base of the Magdalena Mountains in central New Mexico. The nearest city is Socorro, New Mexico, located 26 miles to the east; Albuquerque, New Mexico's largest city, lies 100 miles to the northeast. Magdalena's population is approximately 913 and reflects the community's unique history as a mining town and as one of the largest cattle-shipping centers west of Kansas City. Its nickname, "Trail's End," is an enduring reminder that for nearly 70 years (1890s - 1960s) Magdalena was the end of the trail for cattle drives originating from Arizona to southern Colorado.

Today the communities principal industries consist of education; the federal government in the form of the National Forest Service; the National Radio and Astronomy Observatory, which operates the Very Large Array (the world's largest radio telescope) located on the San Augustine plains 25 miles west of Magdalena; the Bureau of Indian Affairs which operates a charter school and Indian Health Service clinic on the Alamo Navajo Reservation; and, finally, ranching. The public school district is the largest employer.

The Alamo Navajo Reservation is located 29 miles north of Magdalena and is a vital part of the community at large. Although Alamo is a chapter of the Navajo Nation, it is located approximately 200 miles southeast of the big reservation. Because of their isolation, the Alamo people have maintained a unique traditional and linguistic heritage. The Alamo band is the only living Native American group who is a blend of Navajo and Apache tribes. The Alamo dialect (Navajo) is predominate in the homes and in all tribal government, religious, social, and cultural interactions.

Additionally, years ago the district implemented a four-day week schedule to help address and accommodate students who are bussed significant distances. Over half of all Magdalena Municipal School District's students are bussed, with the average bus ride being 26 miles one way. The longest distance any one student has to travel is 70 miles one way.

For parents choosing a public education for their children, Magdalena Municipal School District offers elementary and secondary instruction for approximately 446 students residing within the District's boundaries. At the Magdalena Municipal School District, we are pledged to academic achievement. Our mission is to provide a safe and nurturing learning environment, which encourages curiosity and creativity; stimulates physical, social, intellectual and spiritual well being; and, encourages students to become life long learners.

To accomplish this mission the district has developed and implemented an Educational Plan for Student Success that utilizes curriculum, instruction, and assessments that enable all students to demonstrate: 1) Literacy--Clear and accurate reading, writing, speaking, and interpersonal communication. 2) Math Skills--Clear and accurate use of mathematics in communications, reasoning, making connections, and problem solving. 3) Technology Skills--Clear and accurate use of computers and other technology in cross-curricular applications.

Magdalena offers a wide variety of quality educational programs to ensure a comprehensive K-12 educational experience. Current offerings are Navajo bilingual, ESL, Accelerated Reader, Reading Recovery, SRA Corrective Reading, AP English, Plato Program, and concurrent enrollment classes with area universities.

In math we have Everyday Math, Connected Mathematics, and Interactive Math which aligns all levels, K-12, in Magdalena Schools. We also have concurrent enrollment and advanced placement in math. These new curriculums and alignments have resulted in significant student achievement in our school.

In technology, we have an extensive long distance education lab which provides a very rich experience for any students willing to step up to the challenge. We have upgraded our computer lab to a technology lab which enhances our students' knowledge about technology in the work place. Our vocational education curriculums are aligned to current industry standards.

We are currently offering K-12 visual arts and K-12 music in our school.

Significant Financial Highlights for the Year Ending June 30, 2008

- * The overall adjusted Fund Balance decreased from \$688,678 for the year ending June 30, 2007 to \$526,259 for the year ending June 30, 2008. This represents a decrease in the fund balance of \$162,419. The district pre-purchased most of the supplies needed for classrooms in fiscal year 2007-2008 because the district wanted to hire new teachers in the Elementary Schools to assist in meeting AYP in fiscal year 2008-2009.

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Assets

The Statement of Net Assets is prepared using the accrual method of accounting. This statement shows that the District has total net assets of \$11,758,201. The District has \$239,769 of cash and cash equivalents on hand as of June 30, 2008 compared to \$219,187 in accounts payable and other current liabilities. Net Assets totaling \$30,705 are "restricted" for debt service. Net Assets totaling \$495,047 are "unrestricted". The District's overall financial position did not change significantly from the prior year.

	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Assets		
Cash Assets	\$ 479,029	\$ 239,769
Other Current Assets	\$ 319,190	\$ 387,287
Capital Assets	\$ 15,375,579	\$ 16,271,055
Less Accumulated Depreciation	\$ (4,133,423)	\$ (4,425,723)
Total Assets	<u>\$ 12,040,375</u>	<u>\$ 12,472,388</u>
Liabilities		
Accounts Payable	\$ 18,242	\$ 15,135
Other Current Liabilities	\$ 183,597	\$ 204,052
Long Term Liabilities	\$ 570,000	\$ 495,000
Total Liabilities	<u>\$ 771,839</u>	<u>\$ 714,187</u>
Net Assets		
Invested in Capital Assets	\$ 10,607,156	\$ 11,275,332
Restricted	\$ 315,304	\$ (12,178)
Unrestricted	\$ 346,076	\$ 495,047
Total Net Assets	<u>\$ 11,268,536</u>	<u>\$ 11,758,201</u>

GASB 34 rules now require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$4,425,723. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

Statement of Activities

The Statement of (Governmental) Activities is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the District's net assets for the fiscal year ending June 30, 2008. As of June 30, 2008 the District had net assets of \$11,758,201. The beginning year total net assets is \$11,268,537 reflecting an increase in total net assets of \$308,602 along with a prior period adjustment of \$181,062 for the year ending June 30, 2008. Operations of the District did not change significantly from the prior year.

	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Expenses for Governmental Activities	7,200,486	7,728,386
Less Charges for Services	24,854	27,482
Less Operating Grants and Contributions	2,794,018	3,318,600
Less Capital Grants and Contributions	186,912	364,126
Net (Expenses) Revenues and Changes in Net Assets	<u>(4,194,702)</u>	<u>(4,018,178)</u>
General Revenues		
Taxes - general, debt service, capital projects	134,236	218,732
Federal and State Aid not restricted to specific purpose	3,881,248	4,025,143
Interest Earned	0	1,357
Gain on sale of Fixed Assets	57,221	0
Miscellaneous	15,306	81,548
Subtotal, General Revenues	<u>4,088,011</u>	<u>4,326,780</u>
Changes in Net Assets	(106,691)	308,602
Net Assets Beginning	11,375,227	11,268,537
Prior Period Adjustment	0	181,062
Adjusted Beginning Net Assets	<u>11,375,227</u>	<u>11,449,599</u>
Net Assets - Ending	<u>11,268,536</u>	<u>11,758,201</u>

FUND FINANCIAL STATEMENTS

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances, guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and Federal sources were \$8,036,988. Total expenditures for the District were \$8,349,407. The District also had bond proceeds of \$150,000 during FY 2008. The total ending fund balance was \$526,259; a decrease of \$162,419 from the prior year.

Multi-Year District Revenues and Expenditures

A multi-year view of overall District revenues and expenditures indicates significant growth in both areas. The growth of both revenues and expenditures are commensurate with student growth, legislative initiatives to improve funding for teacher salaries, student needs and other educational programs as well as state and local increases in revenues for capital outlay purposes.

Year	Total Revenues *	Increase %	Total Expenses *	Increase %
1999/2000	4,243,135	-	7,271,225	-
2000/2001	4,757,690	12%	4,646,772	-36%
2001/2002	4,953,524	4%	5,182,259	12%
2002/2003	5,867,103	18%	5,447,618	5%
2003/2004	6,474,314	10%	6,591,560	21%
2004/2005	8,641,936	33%	8,597,905	30%
2005/2006	7,102,484	-18%	7,323,703	-15%
2006-2007	7,119,844	0.20%	7,023,238	-4%
2007-2008	8,186,988	15.02%	8,349,407	19%

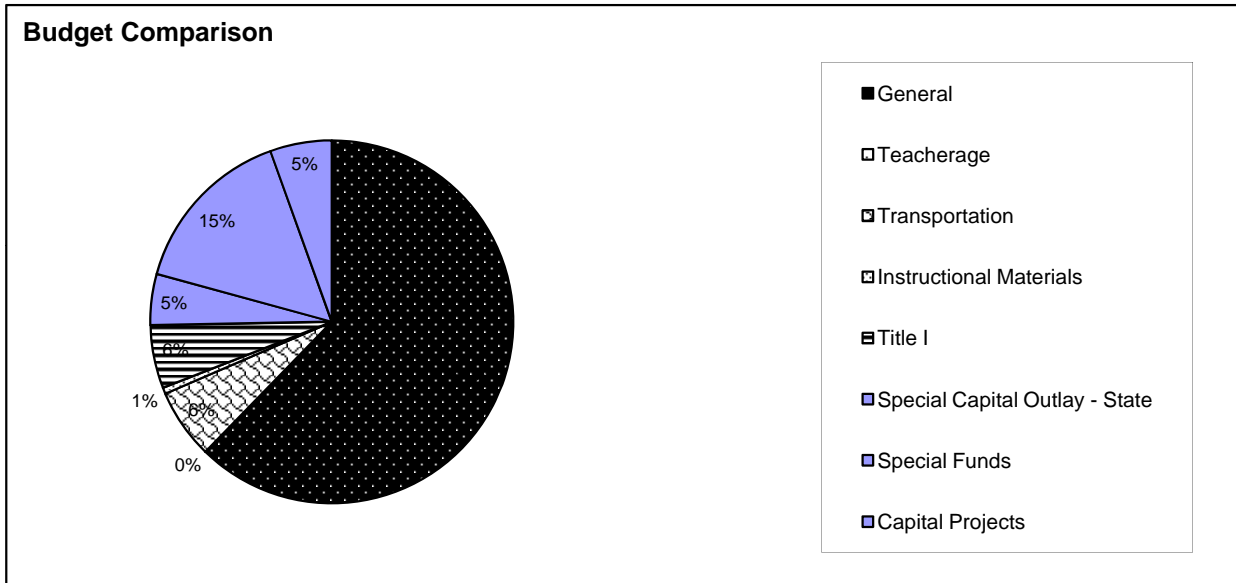
* Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenditures include capital outlays.

The Budget

District budgets reflect the same growth as seen in the revenue and expenditures of the District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop to the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The General Fund (Operational , Teacherage, Transportation and Instructional Materials Funds), Title I and Special Capital Outlay - State. In addition, thirty-two (32) non-major Special Revenue Funds, six (6) non-major Capital Projects Funds and two (2) non-major Debt Service Funds are also reported for their budgetary performance. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.



The reader will note that the General Fund represents 60% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, Food Service and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2008. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds, Capital Projects Funds, and Debt Service.

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

Fund Type	Final Budget	Actual	Variance
General	5,460,204	5,041,152	419,052
Teacherage	2,574	206	2,368
Transportation	507,853	504,186	3,667
Instructional Materials	45,905	45,077	828
Title I	526,707	455,351	71,356
Special Capital Outlay - State	367,231	367,231	0

COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

Fund Type	Final Budget	Actual	Variance
Special Funds	1,429,754	1,236,114	193,640
Capital Projects	533,691	444,365	89,326
Debt Service	242,834	241,861	973

The General Fund expenditures increased from an original budget of \$5,022,845 to a final budget of \$5,460,204, an increase of nearly 9%. The final budget of \$5,460,204 compared to actual expenditures of \$5,041,152 which was a difference of nearly 8%. This difference was mainly due to some anticipated funding which did not materialize.

All funds fell within the regulatory criteria set by the Public Education Department and New Mexico Statute. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

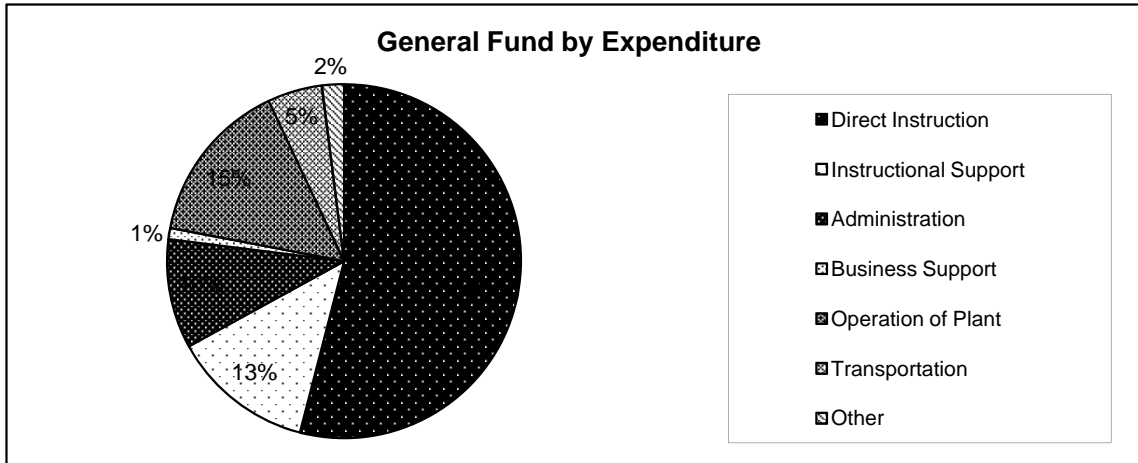
The General Fund

The General Fund revenues represents \$5,027,096 of the total \$8,036,988 in overall District revenues.

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The General Fund provides the predominant funding for athletics and food service. Because of the student growth experienced by the School District, an emphasis on schools by the New Mexico Legislature, and because the Equalization Guarantee Formula is based upon student populations, the Operational Fund has seen significant increases in revenues as seen in the following table.

Year	Revenues	Increase %
1999-2000	2,296,126	
2000-2001	2,373,328	3%
2001-2002	2,036,856	-14%
2002-2003	2,332,496	15%
2003-2004	2,944,735	26%
2004-2005	3,423,046	16%
2005-2006	4,598,109	34%
2006-2007	4,785,061	30%
2007-2008	5,027,096	9%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$5,040,068 was expended in the year ending June 30, 2008. The most significant inter-fund expenditure was for the function noted as "Instruction". This expenditure was \$2,729,131 and represents 54% of all General expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services.



Support Services - Students and Support Services - Instruction represents 14% of General Fund expenditures and account for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs.

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 12% of the total General Fund. Operation of the Plant account for 18% of the General Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The General Fund also supports expenditures for central services and food service.

Capital Assets

Because of aging facilities, the District has taken an aggressive approach to maintaining existing facilities.

Asset Type	Balance June 30, 2006	Balance June 30, 2007	Balance June 30, 2008
Buildings, Land & Improvements	14,454,010	14,545,865	15,028,668
Furniture, Fixtures & Equipment	714,611	829,714	1,242,387
Total Capital Assets	15,168,621	15,375,579	16,271,055
Less Accumulated Depreciation	(3,592,223)	(4,133,423)	(4,425,723)
Capital Assets-Net	11,576,398	11,242,156	11,845,332

Major additions during FY 2008 included improvements to the District's Track.

General Long Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below is the District's total general obligation debt as of June 30, 2008.

Year Ended June 30	Principal	Interest	Totals
2009	75,000	19,905	94,905
2010	60,000	17,665	77,665
2011	60,000	15,606	75,606
2012	60,000	13,487	73,487
2013	65,000	11,216	76,216
2014-2018	250,000	19,978	269,978
Total	570,000	97,857	667,857

The District issued one bond during FY 2008 and paid it off during the same year. The District also made regular scheduled principal and interest payments as required.

Agency Funds

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with Public Education Department Regulations and School District Policy. The Statement of Fiduciary Net Assets and Liabilities has a cash balance of \$379,662 as of June 30, 2008; \$65,879 held on behalf of the students and \$313,783 in a scholarship account. Total additions were \$2,373,778.

Future Trends

The Magdalena School District has continued to enjoy a healthy financial reserve, however it appears that statewide shortages will impact all schools for the next 2 years and we will need to anticipate and plan for those projected shortages. We are experiencing a small, but significant growth trend in enrollment. Several grants, particularly the Demonstration Grant for Indian Children, will supplement programs for the next two years. New bathrooms and a concession area will be completed within a year at the football field/track facility area. Lights for the football fields have been completed; however, additional seating will be necessary. We have a need to explore funding opportunities for teacherages. Housing for new employees is always an issue for our district.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit A-1
(Page 1 of 2)

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and temporary investments	\$ 239,769
Receivables (net of allowance for uncollectibles)	343,727
Inventory	3,023
Total current assets	<u>586,519</u>
Noncurrent assets	
Bond issuance costs (net of amortization of \$53,347)	40,537
Capital assets (net of accumulated depreciation):	
Land	69,672
Land improvements	1,360,785
Buildings and building improvements	13,598,211
Furniture, fixtures and equipment	1,242,387
Less: accumulated depreciation	<u>(4,425,723)</u>
Total noncurrent assets	<u>11,885,869</u>
Total assets	<u><u>\$ 12,472,388</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit A-1
(Page 2 of 2)

		<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$	15,135
Accrued payroll liabilities		43,554
Accrued compensated absences		78,646
Accrued interest		5,281
Deferred revenue		1,571
Current portion of long-term debt		<u>75,000</u>
Total current liabilities		219,187
Noncurrent liabilities:		
Bonds due in more than one year		<u>495,000</u>
Total noncurrent liabilities		495,000
Total liabilities		714,187
Invested in capital assets, net of related debt		11,275,332
Restricted for:		
Debt service		30,705
Capital projects		(42,883)
Unrestricted		<u>495,047</u>
Total net assets		<u>11,758,201</u>
Total liabilities and net assets	\$	<u><u>12,472,388</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Primary Government		
Governmental activities:		
Instruction	\$ 4,376,605	\$ 15,483
Support services:		
Students	655,214	-
Instruction	125,254	-
General Administration	345,673	-
School Administration	387,064	-
Other Support Services	-	-
Central Services	119,808	-
Operation & Maintenance of Plant	902,748	-
Student Transportation	378,085	-
Food Services Operation	229,649	11,999
Community Services	9,467	-
Facilities Materials, Supplies & Other Services	170,369	-
Interest on long-term debt	28,450	-
Total Primary Government	<u>\$ 7,728,386</u>	<u>\$ 27,482</u>

The accompanying notes are an integral part of these financial statements

Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
Operating Grants and Contributions	Capital Grants and Contributions	
\$ 2,516,998	\$ -	\$ (1,844,124)
35,048	-	(620,166)
-	-	(125,254)
-	-	(345,673)
-	-	(387,064)
-	-	-
-	-	(119,808)
-	-	(902,748)
542,566	-	164,481
223,988	-	6,338
-	-	(9,467)
-	364,126	193,757
-	-	(28,450)
<u>\$ 3,318,600</u>	<u>\$ 364,126</u>	<u>(4,018,178)</u>

General Revenues:

Property taxes:	
Levied for general purposes	\$ 6,884
Levied for debt service	170,386
Levied for capital projects	41,462
State Equalization Guarantee	4,025,143
Unrestricted investment earnings	1,357
Gain on sale of fixed assets	-
Miscellaneous	81,548
	<u>4,326,780</u>
Total general revenues	
	<u>4,326,780</u>
Change in net assets	308,602
Net assets - beginning	11,268,537
Prior period adjustment	181,062
Adjusted net assets - beginning	<u>11,449,599</u>
Net assets - ending	<u>\$ 11,758,201</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 2,368	\$ 3,758	\$ 1,938
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	314,689	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>314,689</u>	<u>2,368</u>	<u>3,758</u>	<u>1,938</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	12,540	-	-	2,595
Accrued payroll liabilities	34,453	-	2,673	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>46,993</u>	<u>-</u>	<u>2,673</u>	<u>2,595</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	198,007	2,368	-	-
Undesignated, reported in				
General Fund	69,689	-	1,085	(657)
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>267,696</u>	<u>2,368</u>	<u>1,085</u>	<u>(657)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 314,689</u>	<u>\$ 2,368</u>	<u>\$ 3,758</u>	<u>\$ 1,938</u>

The accompanying notes are an integral part of these financial statements

Title I 24101	Special Capital Outlay State 31400	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 231,705	\$ 239,769
-	-	2,400	2,400
169,249	-	172,078	341,327
-	-	183,579	498,268
-	-	-	-
-	-	3,023	3,023
<u>169,249</u>	<u>-</u>	<u>592,785</u>	<u>1,084,787</u>
-	-	-	15,135
-	-	6,428	43,554
-	-	-	-
169,249	155,000	174,019	498,268
-	-	-	-
-	-	1,571	1,571
<u>169,249</u>	<u>155,000</u>	<u>182,018</u>	<u>558,528</u>
-	-	3,023	3,023
-	-	30,705	30,705
-	(155,000)	112,117	(42,883)
-	-	-	200,375
-	-	-	70,117
-	-	264,922	264,922
<u>-</u>	<u>(155,000)</u>	<u>410,767</u>	<u>526,259</u>
<u>\$ 169,249</u>	<u>\$ -</u>	<u>\$ 592,785</u>	<u>\$ 1,084,787</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS

Exhibit B-1
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 526,259
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,845,332
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds	
Bond issuance costs net of accumulated amortization	40,537
Accrued interest	(5,281)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(78,646)
General obligation bonds	<u>(570,000)</u>
Net Assets-total Governmental Activities	<u><u>\$ 11,758,201</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
<i>Revenues:</i>				
Property taxes	\$ 6,884	\$ -	\$ -	\$ -
State grants	4,025,227	-	507,852	47,015
Federal grants	912,080	-	-	-
Miscellaneous	81,548	-	-	-
Interest	1,357	-	-	-
<i>Total revenues</i>	<u>5,027,096</u>	<u>-</u>	<u>507,852</u>	<u>47,015</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,729,131	-	-	44,183
Support Services				
Students	612,504	-	-	-
Instruction	75,757	-	-	3,489
General Administration	270,578	-	-	-
School Administration	309,106	-	-	-
Central Services	119,808	-	-	-
Operation & Maintenance of Plant	893,266	206	-	-
Student Transportation	-	-	505,722	-
Other Support Services	-	-	-	-
Food Services Operations	29,918	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,040,068</u>	<u>206</u>	<u>505,722</u>	<u>47,672</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(12,972)</u>	<u>(206)</u>	<u>2,130</u>	<u>(657)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(12,972)	(206)	2,130	(657)
<i>Fund balances - beginning of year</i>	<u>280,668</u>	<u>2,574</u>	<u>(1,045)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 267,696</u>	<u>\$ 2,368</u>	<u>\$ 1,085</u>	<u>\$ (657)</u>

The accompanying notes are an integral part of these financial statements

Title I 24101	Special Capital Outlay State 31400	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 211,848	\$ 218,732
-	175,000	420,878	5,175,972
446,621	-	1,115,492	2,474,193
-	-	85,186	166,734
-	-	-	1,357
<u>446,621</u>	<u>175,000</u>	<u>1,833,404</u>	<u>8,036,988</u>
385,571	-	834,126	3,993,011
132	-	42,578	655,214
1,000	-	33,608	113,854
30,418	-	66,318	367,314
28,784	-	45,902	383,792
-	-	-	119,808
-	-	-	893,472
-	-	24,760	530,482
-	-	-	-
-	-	199,618	229,536
2,399	-	7,068	9,467
-	367,231	444,365	811,596
-	-	212,836	212,836
-	-	29,025	29,025
<u>448,304</u>	<u>367,231</u>	<u>1,940,204</u>	<u>8,349,407</u>
<u>(1,683)</u>	<u>(192,231)</u>	<u>(106,800)</u>	<u>(312,419)</u>
-	-	-	-
-	-	150,000	150,000
-	-	150,000	150,000
(1,683)	(192,231)	43,200	(162,419)
<u>1,683</u>	<u>37,231</u>	<u>367,567</u>	<u>688,678</u>
<u>\$ -</u>	<u>\$ (155,000)</u>	<u>\$ 410,767</u>	<u>\$ 526,259</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Exhibit B-2
(Page 2 of 2)

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (162,419)
<p>Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(473,362)
Capital Outlays	895,476
Disposal of capital assets	-
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>	
Increase in accrued interest payable	575
Increase in accrued compensated absences	(18,709)
Amortization of bond issuance costs	(7,959)
Bond Proceeds	(150,000)
Principal payments on bonds	225,000
	225,000
Change in Net Assets-total Governmental Activities	\$ 308,602

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GENERAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 6,092	\$ 6,092	\$ 6,884	\$ 792
State grants	4,208,215	4,208,215	4,025,227	(182,988)
Federal grants	507,471	944,830	912,080	(32,750)
Miscellaneous	17,000	17,000	81,548	64,548
Interest	-	-	1,357	1,357
<i>Total revenues</i>	<u>4,738,778</u>	<u>5,176,137</u>	<u>5,027,096</u>	<u>(149,041)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,864,450	2,939,485	2,730,572	208,913
Support Services				
Students	610,339	620,800	612,454	8,346
Instruction	71,294	74,369	73,125	1,244
General Administration	245,093	296,382	270,228	26,154
School Administration	303,540	314,216	311,051	3,165
Central Services	117,042	126,295	119,040	7,255
Operation & Maintenance of Plant	778,770	1,030,239	894,764	135,475
Student Transportation	-	1,560	-	1,560
Other Support Services	630	630	-	630
Food Services Operations	31,687	31,687	29,918	1,769
Community Services	-	-	-	-
Capital outlay	-	24,541	-	24,541
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,022,845</u>	<u>5,460,204</u>	<u>5,041,152</u>	<u>419,052</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(284,067)</u>	<u>(284,067)</u>	<u>(14,056)</u>	<u>270,011</u>
<i>Other financing sources (uses):</i>				
Designated cash	284,067	284,067	-	(284,067)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>284,067</u>	<u>284,067</u>	<u>-</u>	<u>(284,067)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(14,056)</u>	<u>(14,056)</u>
<i>Fund balances - beginning of year</i>	<u>(284,067)</u>	<u>(284,067)</u>	<u>328,745</u>	<u>612,812</u>
<i>Fund balances - end of year</i>	<u>\$ (284,067)</u>	<u>\$ (284,067)</u>	<u>\$ 314,689</u>	<u>\$ 598,756</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			1,084	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (12,972)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
TEACHERAGE FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	2,574	2,574	206	2,368
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	2,574	2,574	206	2,368
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(2,574)	(2,574)	(206)	2,368
<i>Other financing sources (uses):</i>				
Designated cash	2,574	2,574	-	(2,574)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	2,574	2,574	-	(2,574)
<i>Net changes in fund balances</i>	-	-	(206)	(206)
<i>Fund balances - beginning of year</i>	(2,574)	(2,574)	2,574	5,148
<i>Fund balances - end of year</i>	\$ (2,574)	\$ (2,574)	\$ 2,368	\$ 4,942
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (206)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

MAGDALENA MUNICIPAL SCHOOLS
TRANSPORTATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	248,823	507,853	507,852	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>248,823</u>	<u>507,853</u>	<u>507,852</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	248,823	507,853	504,186	3,667
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>248,823</u>	<u>507,853</u>	<u>504,186</u>	<u>3,667</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,666</u>	<u>3,666</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,666</u>	<u>3,666</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,758</u>	<u>\$ 3,758</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(1,536)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 2,130</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	40,923	45,905	56,394	10,489
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>40,923</u>	<u>45,905</u>	<u>56,394</u>	<u>10,489</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	37,610	42,298	41,588	710
Support Services				
Students	-	-	-	-
Instruction	3,313	3,607	3,489	118
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>40,923</u>	<u>45,905</u>	<u>45,077</u>	<u>828</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>11,317</u>	<u>11,317</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>11,317</u>	<u>11,317</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,379)</u>	<u>(9,379)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,938</u>	<u>\$ 1,938</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(9,379)	
Adjustments to expenditures			(2,595)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (657)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
TITLE I SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	489,397	526,707	426,566	(100,141)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>489,397</u>	<u>526,707</u>	<u>426,566</u>	<u>(100,141)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	390,996	458,574	388,789	69,785
Support Services				
Students	-	132	132	-
Instruction	-	1,000	1,000	-
General Administration	43,808	33,233	31,779	1,454
School Administration	52,193	31,368	31,252	116
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	2,400	2,400	2,399	1
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>489,397</u>	<u>526,707</u>	<u>455,351</u>	<u>71,356</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(28,785)</u>	<u>(28,785)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(28,785)</u>	<u>(28,785)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(140,464)</u>	<u>(140,464)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169,249)</u>	<u>\$ (169,249)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			20,055	
Adjustments to expenditures			7,047	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,683)</u>	

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2008

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Student Activities Cash	\$ 65,879
Gear Up Scholarship Cash	<u>313,783</u>
<i>Total assets</i>	<u><u>379,662</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>379,662</u>
<i>Total liabilities</i>	<u><u>\$ 379,662</u></u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies

The Magdalena School Board was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

The School Board operates three schools within the District with a total enrollment of approximately 449 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

The financial statements of Magdalena Municipal School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

A. Reporting Entity

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no *component units*, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. 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.

Property taxes, franchise taxes, licenses, 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. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

The *Debt Service Funds* account for the services of long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

The *Teacherage Fund* is used to account for the on-campus housing for teachers and staff. This is considered by PED to be a sub-fund of the General Fund.

The *Transportation Fund* is used to account for the State Equalization, received from the Public Education Department (PED), which is used to pay for the costs associated with transporting school age children. This is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* is used to account for the monies received from the Public Education Department (PED) for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

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

The *Special Capital Outlay – State Capital Project Fund* is used to account for special appropriation monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and Magnet school funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Net Assets or Equity

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

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

The District receives monthly income from a tax levy in Socorro County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Socorro County Treasurer in July and August 2008 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2008.

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Instructional Materials: The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while the other fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the other fifty percent account for requisition of material from the adopted list.

Inventory: Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2008.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. Library books are also being capitalized and depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation. During the year ended June 30, 2008, the District did not receive any donated capital assets.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2008.

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

Buildings and Improvements	5-50 years
Land Improvements	5-40 years
Furniture, Fixtures and Equipment	5-20 years

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Deferred Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

Compensated Absences: All personnel employed by the District shall be entitled to leave as per the following categories and schedules:

Annual Leave: Twelve-month employees shall be entitled to annual leave with full pay computed on the following basis per year:

1-5 consecutive years of employment	10 days
6-10 consecutive years of employment	15 days
11+ consecutive years of employment	20 days

Twelve-month employees who have resigned, retired, or who have been laid off or dismissed, shall be entitled to and shall be paid for a maximum of 40 days of earned and unused annual leave.

The District’s recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- a. The employees’ right to receive compensation is attributable to services already rendered.
- b. It is probably that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net assets.

Long-term Obligations: In the government-wide fund 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.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Net Assets or Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

In the government-wide financial statements, fund equity is classified as net assets and is displayed in three components:

Invested in capital assets, net of related debt: 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.

Restricted Net Assets: Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets are restricted for “debt service or capital projects.”

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

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District’s financial statements include management’s estimate of the useful lives of capital assets.

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a ‘state equalization guarantee distribution’ which is defined as “that amount of money distributed to each school district to insure that the school district’s operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district’s program 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 \$4,025,143 in state equalization guarantee distributions during the year ended June 30, 2008.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’. The District recognized \$216,332 in tax revenues during the year ended June 30, 2008. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (continued)

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Socorro County collects County, City and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$507,852 in transportation distributions during the year ended June 30, 2008.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2008 totaled \$51,678.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

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

During the year ended June 30, 2008, the District received \$195,359 in special capital outlay (state) funds and \$57,604 in special capital outlay (local) funds.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenue -(continued)

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$131,522 in state SB-9 matching during the year ended June 30, 2008.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

NOTE 2. Stewardship, Compliance and Accountability

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 School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

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

Actual expenditures may not exceed the budget 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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2. Stewardship, Compliance and Accountability - (Continued)

Budgetary Information - (continued)

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
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.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
5. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Magdalena Municipal School District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
10. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2. Stewardship, Compliance and Accountability - (Continued)

Budgetary Information - (continued)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2008, is presented.

NOTE 3. Cash and Temporary Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations.

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

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

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

The collateral pledged is listed on Schedule II 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 Corporation, public unit deposits are funds owned by the public unit. 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 \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Cash and Temporary Investments - (Continued)

Deposits

NM 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 a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Wells Fargo Bank
Total amounts of deposits	\$ 489,752
FDIC coverage	(100,000)
Total uninsured public funds	389,752
Pledged Collateral held by pledging bank's trust department or agent but not in the agency's name	(194,876)
Uninsured and uncollateralized	\$ (194,876)
Collateral requirement (50% of uninsured public funds)	\$ 194,876
Pledged security	194,876
Total under (over) collateralized	\$ —

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2008, \$389,752 of the District's bank balance of \$489,752 was exposed to custodial credit risk as \$194,876 was uninsured and the collateral was held by the pledging bank's trust department, not in the District's name and the remaining \$194,876 was uninsured and uncollateralized. At June 30, 2008, the carrying amount of these deposits was \$134,129.

Investments

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
		<u>Less than 1 Year</u>
Repurchase agreement	\$ 485,277	\$ 485,277

Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one hundred and two percent of the amount on deposit with the institution. The schedule listed below discloses requirements on reporting the insured portion of the District's repurchase agreements.

Custodial credit risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$485,277 investment in repurchase agreements, the entire balance of underlying securities are held by the investment's counterparty not in the name of the District, and are exposed to custodial credit risk. The District's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the District's investments at June 30, 2008 was \$485,277.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Cash and Temporary Investments - (Continued)

	Wells Fargo <u>Bank</u>
Total amounts of deposits	\$ 485,277
FDIC coverage	<u>—</u>
Total uninsured public funds	<u>\$ 485,277</u>
 Pledged Collateral held by pledging bank's trust department or agent but not in the agency's name	 (485,277)
 Collateral requirement (102% of uninsured public funds)	 \$ 494,983
Pledged security	<u>513,042</u>
Total under (over) collateralized	<u>\$ (18,059)</u>

Reconciliation of Cash and Temporary Investments

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 239,769
Statement of Fiduciary Net Assets – cash per Exhibit D-1	<u>379,662</u>
	619,431
Add outstanding checks and other reconciling items	<u>355,623</u>
	975,054
Less petty cash	<u>(25)</u>
Bank balance of deposits	<u>\$ 975,029</u>

NOTE 4. Receivables

Receivables as of June 30, 2008, are as follows:

	Title I	Non-major Funds	Total
Property Taxes	\$ —	\$ 2,400	\$ 2,400
Intergovernmental – grants	<u>169,249</u>	<u>172,078</u>	<u>341,327</u>
Intergovernmental – grants	<u>\$ 169,249</u>	<u>\$ 174,478</u>	<u>\$ 343,727</u>

The above receivables are deemed 100% collectible. In accordance with GASB #33, property tax receivables should be presented net of deferred revenues on the governmental fund financial statements. However, we were unable to obtain the delinquent property taxes from the County.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5. Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances as of June 30, 2008 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 314,689	\$ —
Title I	—	169,249
Special Capital Outlay – State	—	155,000
Nonmajor Funds:		
Entitlement IDEA-B	—	17,670
Discretionary IDEA-B	—	167
Preschool IDEA-B	—	1,564
Title V – Part A Innovative Ed Pro Strategies	—	37
Teacher / Principal Training & Recruiting	—	20,493
Safe & Drug Free Schools & Community	—	4,672
Title I – School Improvement	—	32,000
Johnson O’Malley	—	11,417
Impact Aid – Special Education	22,059	—
Impact Aid – Indian Education	94,279	—
Indian Education – Formula Grant	—	3,288
Special Projects Demonstration	—	22,974
Pre K Initiative	—	1,755
After School Enrichment Program	—	40,615
Pre Kindergarten – Special State	—	6,717
Libraries SB301 – GO Bonds	—	4,040
DWI NM Local Grant Fund	—	6,610
Special Capital Outlay – Local	61,715	—
Capital Improvements SB-9	<u>5,526</u>	<u>—</u>
Total Governmental Activities	<u>\$ 498,268</u>	<u>\$ 498,268</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2008 follows. Land is not subject to depreciation.

	Balance June 30, 2007	Additions	Deletions	Adjustments	Balance June 30, 2008
Capital Assets not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ 69,672	\$ 69,672
Capital Assets being depreciated:					
Land and land improvements	\$ 398,772	\$ 674,231	\$ -	\$ 287,782	\$ 1,360,785
Buildings and building improvements	14,147,093	23,535	-	(572,417)	13,598,211
Equipment & vehicles	829,714	197,710	-	214,963	1,242,387
Total Capital Assets being depreciated:	<u>15,375,579</u>	<u>895,476</u>	<u>-</u>	<u>(69,672)</u>	<u>16,201,383</u>
Less Accumulated Depreciation for:					
Land and land improvements	75,137	81,243	-	49,084	205,464
Buildings and building improvements	3,454,210	302,759	-	(291,770)	3,465,199
Equipment & vehicles	604,076	89,360	-	61,624	755,060
Total Accumulated depreciation:	<u>4,133,423</u>	<u>473,362</u>	<u>-</u>	<u>(181,062)</u>	<u>4,425,723</u>
Net Capital Assets being depreciated	<u>11,242,156</u>	<u>422,114</u>	<u>-</u>	<u>111,390</u>	<u>11,775,660</u>
Governmental activities capital assets, net:	<u>\$ 11,242,156</u>	<u>\$ 422,114</u>	<u>\$ -</u>	<u>\$ 181,062</u>	<u>\$ 11,845,332</u>

Capital assets, net of accumulated depreciation, at June 30, 2008 appear in the Statement of Net Assets as follows: Governmental activities \$11,845,332.

Depreciation expense for the year ended June 30, 2008 was charged to governmental activities as follows:

Instruction	\$ 379,903
Support Services - Instruction	11,400
Support Services – General Administration	3,823
Support Services – School Administration	3,272
Non-Instructional Student Activity	5,206
Operation and Maintenance of Plant	14,630
Food Services	113
Transportation	12,941
Capital Outlay	<u>42,074</u>
	<u>\$ 473,362</u>

NOTE 7. Long-term Debt

During the year ended June 30, 2008, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Bonds Payable	\$ 645,000	\$ 150,000	\$ 225,000	\$ 570,000	\$ 75,000
Compensated Absences	<u>59,937</u>	<u>42,428</u>	<u>23,719</u>	<u>78,646</u>	<u>78,646</u>
Total	<u>\$ 704,937</u>	<u>\$ 192,428</u>	<u>\$ 248,719</u>	<u>\$ 648,646</u>	<u>\$ 153,646</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7. Long-term Debt - (Continued)

The annual requirements to amortize the Bonds as of June 30, 2008, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2009	75,000	19,905	94,905
2010	60,000	17,665	77,665
2011	60,000	15,606	75,606
2012	60,000	13,487	73,487
2013	65,000	11,216	76,216
2014-2018	<u>250,000</u>	<u>19,978</u>	<u>269,978</u>
Totals	<u>\$ 570,000</u>	<u>\$ 97,857</u>	<u>\$ 667,857</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2008, compensated absences increased \$18,709 over the prior year accrual. See Note 1 for more details

NOTE 8. Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

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

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2008, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

- A.** Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2008:

Major Funds:	
Instructional Materials	657
Special Capital Outlay – State	155,000
Nonmajor Funds:	
Pre K Initiative	1,755
Pre Kindergarten – Special State	2,027
Libraries SB301 – GO Bonds	4,040
DWI NM Local Grant Fund	<u>40</u>
Total	<u>\$ 163,519</u>

These deficits are expected to be funded by additional grant funds.

- B.** Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2008.

Special Revenue Funds:	
Entitlement IDEA-B	
Instruction	\$ 14,507
Support Services (combined)	3,163
Preschool IDEA-B	
Instruction	<u>902</u>
Total	<u>\$ 18,572</u>

NOTE 10. Pension Plan – Educational Retirement Board

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

Funding Policy. Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District’s contributions to ERB for the fiscal years ending June 30, 2008, 2007 and 2006 were \$391,868, \$349,962 and \$322,573, respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of each salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007, and 2006 were \$49,458, \$44,510 and \$44,847, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

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

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 13. Budgeted Activity Funds

The Student Activity Funds, while budgeted under Non-Instructional Support in the financial statements, are considered for reporting purposes as agency funds and the related activity has been reported as such in the Statement of Changes in Assets and Liabilities – All Agency Funds section of the financial statements.

NOTE 14. Joint Powers Agreements

The District entered into a joint powers agreement with other school districts to establish the Central Regional Cooperative (CREC) dated July 1, 1990. Under this agreement, the participating school districts establish and maintain a cooperative program of supplementary special education and other services funded by each school district and the CREC. CREC is not a component unit of the District. CREC issues a separate publicly available audited financial report. The audited financial report for CREC may be obtained by writing to P.O. Box 37440, Albuquerque, NM 87176.

During the year ended June 30, 2008, the CREC passed through \$113,147 to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the CREC fund was reported as revenues and expenditures in the IDEA B Entitlement Fund (24106).

NOTE 15. Prior Period Adjustment

A prior period adjustment in the amount of \$181,062 was made on the Statement of Activities to correct a prior year error made in capital assets. The District's capital asset software was calculating depreciation expense incorrectly on seven assets.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 158,524	\$ 44,876	\$ 28,305	\$ 231,705
Accounts receivable				
Taxes	-	-	2,400	2,400
Due from other governments	172,078	-	-	172,078
Interfund receivables	116,338	67,241	-	183,579
Other	-	-	-	-
Inventory	3,023	-	-	3,023
<i>Total assets</i>	<u>449,963</u>	<u>112,117</u>	<u>30,705</u>	<u>592,785</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	6,428	-	-	6,428
Accrued compensated absences	-	-	-	-
Interfund payables	174,019	-	-	174,019
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	1,571	-	-	1,571
<i>Total liabilities</i>	<u>182,018</u>	<u>-</u>	<u>-</u>	<u>182,018</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	3,023	-	-	3,023
Reserved for debt service	-	-	30,705	30,705
Reserved for capital projects	-	112,117	-	112,117
Unreserved:				
Designated for subsequent year's expenditures	37,149	-	-	37,149
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	227,773	-	-	227,773
<i>Total fund balance</i>	<u>267,945</u>	<u>112,117</u>	<u>30,705</u>	<u>410,767</u>
<i>Total liabilities and fund balance</i>	<u>\$ 449,963</u>	<u>\$ 112,117</u>	<u>\$ 30,705</u>	<u>\$ 592,785</u>

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

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STATE OF NEW MEXICO

Statement A-2

MAGDALENA MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDING JUNE 30, 2008

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 41,462	\$ 170,386	\$ 211,848
State grants	289,356	131,522	-	420,878
Federal grants	1,115,492	-	-	1,115,492
Miscellaneous	27,582	57,604	-	85,186
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,432,430</u>	<u>230,588</u>	<u>170,386</u>	<u>1,833,404</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	834,126	-	-	834,126
Support Services				
Students	42,578	-	-	42,578
Instruction	33,608	-	-	33,608
General Administration	66,318	-	-	66,318
School Administration	45,902	-	-	45,902
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	24,760	-	-	24,760
Other Support Services	-	-	-	-
Food Services Operations	199,618	-	-	199,618
Community Service	7,068	-	-	7,068
Capital outlay	-	444,365	-	444,365
Debt service				
Principal	-	-	212,836	212,836
Interest	-	-	29,025	29,025
<i>Total expenditures</i>	<u>1,253,978</u>	<u>444,365</u>	<u>241,861</u>	<u>1,940,204</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>178,452</u>	<u>(213,777)</u>	<u>(71,475)</u>	<u>(106,800)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	150,000	-	150,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
<i>Net changes in fund balances</i>	<u>178,452</u>	<u>(63,777)</u>	<u>(71,475)</u>	<u>43,200</u>
<i>Fund balances - beginning of year</i>	<u>89,493</u>	<u>175,894</u>	<u>102,180</u>	<u>367,567</u>
<i>Fund balances - end of year</i>	<u>\$ 267,945</u>	<u>\$ 112,117</u>	<u>\$ 30,705</u>	<u>\$ 410,767</u>

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

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SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS (Continued)

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

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

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

Entitlement IDEA-B (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

Discretionary IDEA-B (24107) – To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to all children with disabilities. Authorized by individuals with Disabilities Education Act (IDEA), Part B, Sections 611, as amended, 20 U.S.C. 1411.

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

Technology Literacy Challenge (24133) – To account for a federal grant designed to strengthen teacher learning in the field of technology.

Comprehensive School Reform (24135) – To stimulate school-wide changes in schools that need to substantially improve student academics, particularly Title I schools, so that students in these schools can meet state content and performance standards. Funding authority is the State of New Mexico Department of Education.

Title V-Part A Innovative Education Pro Strategies (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

Safe & Drug Free Schools & Community (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Title I – School Improvement (24162) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Johnson O'Malley (25131) – To account for revenues and expenditures funded by the Department of Interior, Bureau of Indian Affairs, through the Navajo Tribe provided to supplement programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. The fund was created by the authority of federal grant provisions. (PL 103-382)

SPECIAL REVENUE FUNDS (Continued)

Impact Aid (25145) - Special Education and Indian Education (25147) – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

Title XIX MEDICAID 3/21 Years (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

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

Special Projects Demonstration USDE (25194) – To account for a project that aims to increase Indian student achievement and promote life-long learning. This program will escalate the level and quality of learning for Magdalena's Indian students via implementation of an additional preschool program, academic enrichment in math and science, performance-based assessment, and increased opportunity for our Native American students to enroll and succeed in postsecondary institutions. Elementary and Secondary Education Act of 1965, as amended.

Gear Up USDE (25211) – To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. Higher Education act, Title IV, Part A, Subpart 2, Chapter 2, Public Law 105-244.

Native American Program (25248) – The purpose of this grant is to increase Indian student achievement and promote life-long learning by focusing on English Language Acquisition strategies for all staff and students. Authority: PL No Child Left Behind Elementary and Secondary Education Act of 1965.

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

Physical Education Classes (27121) – To account for monies received from the State of New Mexico to be used for Elementary Physical Education. Funds must be utilized for salary and benefits of a PED licensed physical education instructor.

Federal Relief Fund (27147) – To account for monies received from the State of New Mexico for Support Services for Urban American Indian Students during school year 2005-2006. Used to implement an effective tutoring program to increase academic achievement and provide culturally relevant learning experiences for Urban American Indian students.

Pre-K Initiative (27149) – To account for monies received from the State of New Mexico to be used to provide direct services to 20 4 year old children in Pre-Kindergarten programs.

Indian Education Act (27150) – To account for funds to help support the educational reform initiatives outlined in the schools' Educational Plan for Student Success (EPSS). The grant expenditures must support how the identified EPSS focus areas / activities / strategies will be deployed for addressing the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

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

SPECIAL REVENUE FUNDS (Continued)

Breakfast for Elementary Students (27155) – The 2005 Legislative General Appropriations Act allocated 475,000.00 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

Pre Kindergarten Start Up (27161) – The purpose of this program is to effectively and safely implement a preschool curriculum from funding provided by the Public Education Department. The funds provided are used to purchase age appropriate furniture, supplies and materials for the initiation stages of the four-year old pre-K program.

Kindergarten Three Plus (27166) – The funding is part of a pilot project for Kindergarten through third grade students at both Ann Parish Elementary and Desert View Elementary. Funds used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools.

After School Enrichment Program (27168) – Health Schools initiative to promote active lifestyles.

Pre-Kindergarten - Special State (27169) – to provide Pre K program services for learning materials, transportation, start up and safety improvements for 20(children)

Libraries SB301 GO Bonds (27170) – In the November 2004 election, New Mexico voters approved GO bond C for \$6,156,000 to fund public school and juvenile detention libraries statewide. Statute specifies that the funds are available to acquire library books, equipment and library resources for public schools and juvenile detention libraries.

DWI NM Local Grant Fund (28145) – To account for revenues and expenditures provided by a Community DWI grant from the New Mexico Traffic Safety Bureau to provide transportation, meals and lodging in order to implement the Natural Helpers program. The fund was created by grant provisions.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Food Services 21000	Athletics 22000	Entitlement IDEA-B 24106	Discretionary IDEA-B 24107
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 92,529	\$ 3,466	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	20,990	167
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	3,023	-	-	-
<i>Total assets</i>	<u>95,552</u>	<u>3,466</u>	<u>20,990</u>	<u>167</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	3,320	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	17,670	167
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>20,990</u>	<u>167</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	3,023	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	35,576	1,573	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	56,953	1,893	-	-
<i>Total fund balance</i>	<u>95,552</u>	<u>3,466</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 95,552</u>	<u>\$ 3,466</u>	<u>\$ 20,990</u>	<u>\$ 167</u>

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

Preschool IDEA-B 24109	Technology Literacy Challenge 24133	Comprehensive School Reform 24135	Title V Part A Innovative Ed Pro Strategies 24150	Teacher / Principal Training / Recruiting 24154
\$ -	\$ -	\$ 2	\$ -	\$ -
-	-	-	-	-
1,564	-	-	37	20,493
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,564</u>	<u>-</u>	<u>2</u>	<u>37</u>	<u>20,493</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,564	-	-	37	20,493
-	-	-	-	-
-	-	2	-	-
<u>1,564</u>	<u>-</u>	<u>2</u>	<u>37</u>	<u>20,493</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,564</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 37</u>	<u>\$ 20,493</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Johnson O'Malley 25131	Impact Aid Special Education 25145
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	4,672	32,000	11,417	-
Interfund receivables	-	-	-	22,059
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>4,672</u>	<u>32,000</u>	<u>11,417</u>	<u>22,059</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	4,672	32,000	11,417	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>4,672</u>	<u>32,000</u>	<u>11,417</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	22,059
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,059</u>
<i>Total liabilities and fund balance</i>	<u>\$ 4,672</u>	<u>\$ 32,000</u>	<u>\$ 11,417</u>	<u>\$ 22,059</u>

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

Impact Aid Indian Education 25147	Title XIX Medicaid 3 / 21 Years 25153	Indian Ed Formula Grant 25184	Special Projects Demonstration 25194	GEAR UP USDE 25211	Native American Program 25248
\$ -	\$ 15,353	\$ -	\$ -	\$ 224	\$ 1,345
-	-	-	-	-	-
-	-	3,288	25,526	-	-
94,279	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>94,279</u>	<u>15,353</u>	<u>3,288</u>	<u>25,526</u>	<u>224</u>	<u>1,345</u>
-	-	-	-	-	-
556	-	-	2,552	-	-
-	-	-	-	-	-
-	-	3,288	22,974	-	-
-	-	-	-	-	-
-	-	-	-	224	1,345
<u>556</u>	<u>-</u>	<u>3,288</u>	<u>25,526</u>	<u>224</u>	<u>1,345</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
93,723	15,353	-	-	-	-
<u>93,723</u>	<u>15,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 94,279</u>	<u>\$ 15,353</u>	<u>\$ 3,288</u>	<u>\$ 25,526</u>	<u>\$ 224</u>	<u>\$ 1,345</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Technology for Education PED 27117	Physical Education Classes 27121	Federal Relief Fund 27147	Pre K Initiative 27149
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 1,912	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>1,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	1,755
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,755</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	1,912	-	-	(1,755)
<i>Total fund balance</i>	<u>1,912</u>	<u>-</u>	<u>-</u>	<u>(1,755)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Indian Education Act 27150	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Pre Kindergarten Start Up 27161	Kindergarten Three Plus 27166	After School Enrichment Program 27168
\$ -	\$ -	\$ 1	\$ -	\$ 43,692	\$ -
-	-	-	-	-	-
-	-	-	-	-	40,664
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1	-	43,692	40,664
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	40,615
-	-	-	-	-	-
-	-	-	-	-	40,615
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1	-	43,692	49
-	-	1	-	43,692	49
\$ -	\$ -	\$ 1	\$ -	\$ 43,692	\$ 40,664

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

Statement B-1
(Page 4 of 4)

	Pre- Kindergarten Special State 27169	Libraries SB301 GO Bonds 27170	DWI NM Local Grant Fund 28145	Total
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 158,524
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	4,690	-	6,570	172,078
Interfund receivables	-	-	-	116,338
Other	-	-	-	-
Inventory	-	-	-	3,023
<i>Total assets</i>	<u>4,690</u>	<u>-</u>	<u>6,570</u>	<u>449,963</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	6,428
Accrued compensated absences	-	-	-	-
Interfund payables	6,717	4,040	6,610	174,019
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	1,571
<i>Total liabilities</i>	<u>6,717</u>	<u>4,040</u>	<u>6,610</u>	<u>182,018</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	3,023
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	37,149
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	(2,027)	(4,040)	(40)	227,773
<i>Total fund balance</i>	<u>(2,027)</u>	<u>(4,040)</u>	<u>(40)</u>	<u>267,945</u>
<i>Total liabilities and fund balance</i>	<u>\$ 4,690</u>	<u>\$ -</u>	<u>\$ 6,570</u>	<u>\$ 449,963</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Food Services 21000	Athletics 22000	Entitlement IDEA-B 24106	Discretionary IDEA-B 24107
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	217,928	-	113,147	-
Miscellaneous	11,999	15,483	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>229,927</u>	<u>15,483</u>	<u>113,147</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	35	17,311	64,057	-
Support Services				
Students	-	-	4,409	-
Instruction	-	-	-	-
General Administration	-	-	44,681	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	193,558	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>193,593</u>	<u>17,311</u>	<u>113,147</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>36,334</u>	<u>(1,828)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>36,334</u>	<u>(1,828)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>59,218</u>	<u>5,294</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 95,552</u>	<u>\$ 3,466</u>	<u>\$ -</u>	<u>\$ -</u>

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

Preschool IDEA-B 24109	Technology Literacy Challenge 24133	Comprehensive School Reform 24135	Title V Part A Innovative Ed Pro Strategies 24150	Teacher / Principal Training / Recruiting 24154
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
12,228	-	-	3,150	69,485
-	-	-	-	-
-	-	-	-	-
<u>12,228</u>	<u>-</u>	<u>-</u>	<u>3,150</u>	<u>69,485</u>
12,228	-	-	3,113	68,665
-	-	-	-	-
-	-	-	-	-
-	-	-	37	820
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,228</u>	<u>-</u>	<u>-</u>	<u>3,150</u>	<u>69,485</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Johnson O'Malley 25131	Impact Aid Special Education 25145
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	6,889	32,000	20,136	49,642
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,889</u>	<u>32,000</u>	<u>20,136</u>	<u>49,642</u>
<i>Expenditures:</i>				
Current:				
Instruction	6,708	32,000	15,481	31,332
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	81	-	923	377
School Administration	-	-	-	174
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	1,641	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	100	-	2,091	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,889</u>	<u>32,000</u>	<u>20,136</u>	<u>31,883</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,759</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,759</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,300</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,059</u>

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

Impact Aid Indian Education 25147	Title XIX Medicaid 3 / 21 Years 25153	Indian Ed Formula Grant 25184	Special Projects Demonstration 25194	GEAR UP USDE 25211	Native American Program 25248
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
227,107	35,048	44,557	284,175	-	-
-	-	-	100	-	-
-	-	-	-	-	-
<u>227,107</u>	<u>35,048</u>	<u>44,557</u>	<u>284,275</u>	<u>-</u>	<u>-</u>
102,150	100	44,024	231,446	-	-
4,848	27,851	-	-	-	-
29,568	-	-	-	-	-
11,383	334	533	7,065	-	-
1,098	-	-	44,469	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,250	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,787	-	-	45	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>153,834</u>	<u>28,285</u>	<u>44,557</u>	<u>284,275</u>	<u>-</u>	<u>-</u>
<u>73,273</u>	<u>6,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>73,273</u>	<u>6,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,450</u>	<u>8,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 93,723</u>	<u>\$ 15,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Technology for Education PED 27117	Physical Education Classes 27121	Federal Relief Fund 27147	Pre K Initiative 27149
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	9,892	3,206	768	46,778
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>9,892</u>	<u>3,206</u>	<u>768</u>	<u>46,778</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	7,508	-	-	47,142
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	84	-	-	-
School Administration	161	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,753</u>	<u>-</u>	<u>-</u>	<u>47,142</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2,139</u>	<u>3,206</u>	<u>768</u>	<u>(364)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>2,139</u>	<u>3,206</u>	<u>768</u>	<u>(364)</u>
<i>Fund balances - beginning of year</i>	<u>(227)</u>	<u>(3,206)</u>	<u>(768)</u>	<u>(1,391)</u>
<i>Fund balances - end of year</i>	<u>\$ 1,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,755)</u>

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

Indian Education Act 27150	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Pre Kindergarten Start Up 27161	Kindergarten Three Plus 27166	After School Enrichment Program 27168
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,502	6,060	1,775	124,144	61,699
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,502	6,060	1,775	124,144	61,699
-	6,503	-	-	80,452	53,789
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	7,861
-	-	6,060	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,503	6,060	-	80,452	61,650
-	(1)	-	1,775	43,692	49
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(1)	-	1,775	43,692	49
-	1	1	(1,775)	-	-
\$ -	\$ -	\$ 1	\$ -	\$ 43,692	\$ 49

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

Statement B-2
(Page 4 of 4)

	Pre- Kindergarten Special State 27169	Libraries SB301 GO Bonds 27170	DWI NM Local Grant Fund 28145	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	14,578	-	13,954	289,356
Federal grants	-	-	-	1,115,492
Miscellaneous	-	-	-	27,582
Interest	-	-	-	-
<i>Total revenues</i>	<u>14,578</u>	<u>-</u>	<u>13,954</u>	<u>1,432,430</u>
<i>Expenditures:</i>				
Current:				
Instruction	2,597	-	7,485	834,126
Support Services				
Students	-	-	5,470	42,578
Instruction	-	4,040	-	33,608
General Administration	-	-	-	66,318
School Administration	-	-	-	45,902
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	14,008	-	-	24,760
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	199,618
Community Service	-	-	45	7,068
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,605</u>	<u>4,040</u>	<u>13,000</u>	<u>1,253,978</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,027)</u>	<u>(4,040)</u>	<u>954</u>	<u>178,452</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(2,027)</u>	<u>(4,040)</u>	<u>954</u>	<u>178,452</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(994)</u>	<u>89,493</u>
<i>Fund balances - end of year</i>	<u>\$ (2,027)</u>	<u>\$ (4,040)</u>	<u>\$ (40)</u>	<u>\$ 267,945</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
FOOD SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	145,000	185,560	204,002	18,442
Miscellaneous	5,600	5,600	11,999	6,399
Interest	-	-	-	-
<i>Total revenues</i>	<u>150,600</u>	<u>191,160</u>	<u>216,001</u>	<u>24,841</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	35	35	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	165,600	206,125	178,997	27,128
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>165,600</u>	<u>206,160</u>	<u>179,032</u>	<u>27,128</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(15,000)</u>	<u>(15,000)</u>	<u>36,969</u>	<u>51,969</u>
<i>Other financing sources (uses):</i>				
Designated cash	15,000	15,000	-	(15,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>36,969</u>	<u>36,969</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>55,560</u>	<u>55,560</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,529</u>	<u>\$ 92,529</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			13,926	
Adjustments to expenditures			<u>(14,561)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 36,334</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

MAGDALENA MUNICIPAL SCHOOLS
ATHLETICS SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	14,500	14,500	15,483	983
Interest	-	-	-	-
<i>Total revenues</i>	<u>14,500</u>	<u>14,500</u>	<u>15,483</u>	<u>983</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,500	19,500	17,311	2,189
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>19,500</u>	<u>19,500</u>	<u>17,311</u>	<u>2,189</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(1,828)</u>	<u>3,172</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,000	5,000	-	(5,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,828)</u>	<u>(1,828)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,294</u>	<u>5,294</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,466</u>	<u>\$ 3,466</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,828)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

MAGDALENA MUNICIPAL SCHOOLS

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	95,282	99,876	4,594
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>95,282</u>	<u>99,876</u>	<u>4,594</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	49,289	63,796	(14,507)
Support Services				
Students	-	4,428	4,409	19
Instruction	-	-	-	-
General Administration	-	41,565	44,747	(3,182)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>95,282</u>	<u>112,952</u>	<u>(17,670)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,076)</u>	<u>(13,076)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(13,076)</u>	<u>(13,076)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,594)</u>	<u>(4,594)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,670)</u>	<u>\$ (17,670)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			13,271	
Adjustments to expenditures			(195)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement B-6

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	82	82
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	82	82
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	-	-	82	82
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	82	82
<i>Fund balances - beginning of year</i>	-	-	(249)	(249)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (167)	\$ (167)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(82)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses)			-	
over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

MAGDALENA MUNICIPAL SCHOOLS
PRESCHOOL IDEA-B SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	11,326	11,280	(46)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>11,326</u>	<u>11,280</u>	<u>(46)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	11,326	12,228	(902)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>11,326</u>	<u>12,228</u>	<u>(902)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(948)</u>	<u>(948)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(948)</u>	<u>(948)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(616)</u>	<u>(616)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,564)</u>	<u>\$ (1,564)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			948	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
TECHNOLOGY LITERACY CHALLENGE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	2,756	94	(2,662)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,756</u>	<u>94</u>	<u>(2,662)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	2,756	-	2,756
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,756</u>	<u>-</u>	<u>2,756</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>94</u>	<u>94</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>94</u>	<u>94</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(94)</u>	<u>(94)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(94)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
COMPREHENSIVE SCHOOL REFORM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

Statement B-9

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

MAGDALENA MUNICIPAL SCHOOLS

TITLE V PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	3,151	3,305	3,484	179
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>3,151</u>	<u>3,305</u>	<u>3,484</u>	<u>179</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	3,113	3,265	3,113	152
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	38	40	37	3
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,151</u>	<u>3,305</u>	<u>3,150</u>	<u>155</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>334</u>	<u>334</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>334</u>	<u>334</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(371)</u>	<u>(371)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37)</u>	<u>\$ (37)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(334)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

MAGDALENA MUNICIPAL SCHOOLS

TEACHER / PRINCIPAL TRAINING / RECRUITING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	71,188	71,188	67,100	(4,088)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>71,188</u>	<u>71,188</u>	<u>67,100</u>	<u>(4,088)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	70,336	70,336	68,665	1,671
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	852	852	820	32
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>71,188</u>	<u>71,188</u>	<u>69,485</u>	<u>1,703</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,385)</u>	<u>(2,385)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,385)</u>	<u>(2,385)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(18,108)</u>	<u>(18,108)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,493)</u>	<u>\$ (20,493)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,385	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

MAGDALENA MUNICIPAL SCHOOLS

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	6,738	7,724	3,737	(3,987)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,738</u>	<u>7,724</u>	<u>3,737</u>	<u>(3,987)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	6,557	7,531	6,708	823
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	81	93	81	12
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	100	100	100	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,738</u>	<u>7,724</u>	<u>6,889</u>	<u>835</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,152)</u>	<u>(3,152)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,152)</u>	<u>(3,152)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,520)</u>	<u>(1,520)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,672)</u>	<u>\$ (4,672)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,152	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

MAGDALENA MUNICIPAL SCHOOLS

TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	32,000	32,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	32,000	-	(32,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>32,000</u>	<u>-</u>	<u>(32,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(32,000)</u>	<u>(32,000)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,000)</u>	<u>\$ (32,000)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			32,000	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

MAGDALENA MUNICIPAL SCHOOLS

JOHNSON O'MALLEY SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	20,148	13,773	(6,375)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,148</u>	<u>13,773</u>	<u>(6,375)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	15,490	15,481	9
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	924	923	1
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	1,642	1,641	1
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	2,092	2,091	1
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,148</u>	<u>20,136</u>	<u>12</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,363)</u>	<u>(6,363)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,363)</u>	<u>(6,363)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,054)</u>	<u>(5,054)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,417)</u>	<u>\$ (11,417)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			6,363	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

MAGDALENA MUNICIPAL SCHOOLS

IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	49,983	45,628	(4,355)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>49,983</u>	<u>45,628</u>	<u>(4,355)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	48,883	31,332	17,551
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	600	377	223
School Administration	-	500	174	326
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>49,983</u>	<u>31,883</u>	<u>18,100</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>13,745</u>	<u>13,745</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>13,745</u>	<u>13,745</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,314</u>	<u>8,314</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,059</u>	<u>\$ 22,059</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,014	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 17,759</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

MAGDALENA MUNICIPAL SCHOOLS

IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	236,635	218,512	(18,123)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>236,635</u>	<u>218,512</u>	<u>(18,123)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	157,421	102,150	55,271
Support Services				
Students	-	10,328	4,848	5,480
Instruction	-	33,503	29,568	3,935
General Administration	-	25,997	10,827	15,170
School Administration	-	4,361	1,098	3,263
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	5,025	4,787	238
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>236,635</u>	<u>153,278</u>	<u>83,357</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>65,234</u>	<u>65,234</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>65,234</u>	<u>65,234</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>29,045</u>	<u>29,045</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,279</u>	<u>\$ 94,279</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			8,595	
Adjustments to expenditures			(556)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 73,273</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

MAGDALENA MUNICIPAL SCHOOLS

TITLE XIX MEDICAID 3 / 21 YEARS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	43,638	35,048	(8,590)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>43,638</u>	<u>35,048</u>	<u>(8,590)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	100	100	-
Support Services				
Students	-	43,015	27,851	15,164
Instruction	-	-	-	-
General Administration	-	523	334	189
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,638</u>	<u>28,285</u>	<u>15,353</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,763</u>	<u>6,763</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>6,763</u>	<u>6,763</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,590</u>	<u>8,590</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,353</u>	<u>\$ 15,353</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 6,763</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

MAGDALENA MUNICIPAL SCHOOLS

INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	44,557	39,424	(5,133)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>44,557</u>	<u>39,424</u>	<u>(5,133)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	44,024	44,024	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	533	533	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>44,557</u>	<u>44,557</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,133)</u>	<u>(5,133)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,133)</u>	<u>(5,133)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,845</u>	<u>1,845</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,288)</u>	<u>\$ (3,288)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,133	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

MAGDALENA MUNICIPAL SCHOOLS

SPECIAL PROJECTS DEMONSTRATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	292,496	258,647	(33,849)
Miscellaneous	-	-	100	100
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>292,496</u>	<u>258,747</u>	<u>(33,749)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	233,337	231,446	1,891
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	7,066	7,065	1
School Administration	-	46,548	41,917	4,631
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	5,500	1,250	4,250
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	45	45	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>292,496</u>	<u>281,723</u>	<u>10,773</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(22,976)</u>	<u>(22,976)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(22,976)</u>	<u>(22,976)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,974)</u>	<u>\$ (22,974)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			25,528	
Adjustments to expenditures			(2,552)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

MAGDALENA MUNICIPAL SCHOOLS
GEAR UP USDE SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>224</u>	<u>224</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 224</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

MAGDALENA MUNICIPAL SCHOOLS

NATIVE AMERICAN PROGRAM SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,345</u>	<u>1,345</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345</u>	<u>\$ 1,345</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

MAGDALENA MUNICIPAL SCHOOLS

TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	7,802	9,892	2,090
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,802</u>	<u>9,892</u>	<u>2,090</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	7,508	7,508	-
Support Services				
Students	-	48	-	48
Instruction	-	-	-	-
General Administration	-	84	84	-
School Administration	-	162	161	1
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,802</u>	<u>7,753</u>	<u>49</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,139</u>	<u>2,139</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,139</u>	<u>2,139</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(227)</u>	<u>(227)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,912</u>	<u>\$ 1,912</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 2,139</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

MAGDALENA MUNICIPAL SCHOOLS

PHYSICAL EDUCATION CLASSES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	28,286	28,286
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>28,286</u>	<u>28,286</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>28,286</u>	<u>28,286</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>28,286</u>	<u>28,286</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(28,286)</u>	<u>(28,286)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(25,080)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 3,206</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

MAGDALENA MUNICIPAL SCHOOLS

FEDERAL RELIEF FUND SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	768	768
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>768</u>	<u>768</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>768</u>	<u>768</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>768</u>	<u>768</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(768)</u>	<u>(768)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 768</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

MAGDALENA MUNICIPAL SCHOOLS
PRE K INITIATIVE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	47,249	70,887	23,638
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>47,249</u>	<u>70,887</u>	<u>23,638</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	47,249	47,142	107
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>47,249</u>	<u>47,142</u>	<u>107</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>23,745</u>	<u>23,745</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>23,745</u>	<u>23,745</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(25,500)</u>	<u>(25,500)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,755)</u>	<u>\$ (1,755)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(24,109)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (364)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

MAGDALENA MUNICIPAL SCHOOLS

INDIAN EDUCATION ACT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	19,551	19,551
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>19,551</u>	<u>19,551</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>19,551</u>	<u>19,551</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>19,551</u>	<u>19,551</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,551)</u>	<u>(19,551)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(19,551)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

MAGDALENA MUNICIPAL SCHOOLS

BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	6,503	6,502	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,503</u>	<u>6,502</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	6,503	6,503	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,503</u>	<u>6,503</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

MAGDALENA MUNICIPAL SCHOOLS

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	6,060	6,060	6,060	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,060</u>	<u>6,060</u>	<u>6,060</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	6,060	6,060	6,060	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,060</u>	<u>6,060</u>	<u>6,060</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

MAGDALENA MUNICIPAL SCHOOLS

PRE KINDERGARTEN START UP SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	1,775	1,775
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,775</u>	<u>1,775</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,775</u>	<u>1,775</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,775</u>	<u>1,775</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,775)</u>	<u>(1,775)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,775</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

MAGDALENA MUNICIPAL SCHOOLS

KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	30,000	124,144	124,144	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>124,144</u>	<u>124,144</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	30,000	124,144	80,452	43,692
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>124,144</u>	<u>80,452</u>	<u>43,692</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>43,692</u>	<u>43,692</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>43,692</u>	<u>43,692</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,692</u>	<u>\$ 43,692</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 43,692</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

MAGDALENA MUNICIPAL SCHOOLS

AFTER SCHOOL ENRICHMENT PROGRAM SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	62,000	21,035	(40,965)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>62,000</u>	<u>21,035</u>	<u>(40,965)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	54,139	53,789	350
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	7,861	7,861	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>62,000</u>	<u>61,650</u>	<u>350</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(40,615)</u>	<u>(40,615)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(40,615)</u>	<u>(40,615)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,615)</u>	<u>\$ (40,615)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			40,664	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 49</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

MAGDALENA MUNICIPAL SCHOOLS

PRE-KINDERGARTEN STATE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	16,620	9,888	(6,732)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,620</u>	<u>9,888</u>	<u>(6,732)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	2,608	2,597	11
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	14,012	14,008	4
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,620</u>	<u>16,605</u>	<u>15</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,717)</u>	<u>(6,717)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,717)</u>	<u>(6,717)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,717)</u>	<u>\$ (6,717)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,690	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,027)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

MAGDALENA MUNICIPAL SCHOOLS

LIBRARIES SB301 - GO BONDS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	9,678	-	(9,678)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,678</u>	<u>-</u>	<u>(9,678)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	9,678	4,040	5,638
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,678</u>	<u>4,040</u>	<u>5,638</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,040)</u>	<u>(4,040)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,040)</u>	<u>(4,040)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,040)</u>	<u>\$ (4,040)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (4,040)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

MAGDALENA MUNICIPAL SCHOOLS

DWI NM LOCAL GRANT FUND SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	13,000	7,384	(5,616)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>13,000</u>	<u>7,384</u>	<u>(5,616)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	7,485	7,485	-
Support Services				
Students	-	5,470	5,470	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	45	45	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,616)</u>	<u>(5,616)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,616)</u>	<u>(5,616)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(994)</u>	<u>(994)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,610)</u>	<u>\$ (6,610)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			6,570	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>954</u>	

The accompanying notes are an integral part of these financial statements

CAPITAL PROJECTS FUNDS

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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. The District has the following separate funds classified as Capital Projects Funds:

Bond Building (31100) – The revenues are derived from a School Building Bond issue. The expenditures are restricted to major capital improvements.

Public Schools Capital Outlay (31200) – To account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

Special Capital Outlay – Local (31300) – To account revenues that are derived from local sources such as the sale of a building.

Capital Improvements SB-9 (31700) – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Energy Efficiency Act (31800) – To account for school projects designed to increase the efficiency of the District's buildings. The legislation allows the District to incur long-term contracts to complete these projects. Savings from the modifications made are used to fund the projects. This was approved by the Public Building Energy Efficiency Act (6-21-1 to 6-23-10, NMSA 1978).

Public Schools Capital Outlay 20% (32100) – To account for the 20 percent of the operational property tax revenues that have been set aside for capital outlay projects.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

	<u>Bond Building 31100</u>	<u>Public School Capital Outlay 31200</u>	<u>Special Capital Outlay - Local 31300</u>
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 4,511	\$ 1	\$ -
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Interfund receivables	-	-	61,715
Other	-	-	-
Inventory	-	-	-
	<u>4,511</u>	<u>1</u>	<u>61,715</u>
<i>Total assets</i>	<u><u>4,511</u></u>	<u><u>1</u></u>	<u><u>61,715</u></u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	-	-	-
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Reserved for capital projects	4,511	1	61,715
Unreserved:			
Designated for subsequent year's expenditures	-	-	-
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	-	-	-
	<u>4,511</u>	<u>1</u>	<u>61,715</u>
<i>Total fund balance</i>	<u><u>4,511</u></u>	<u><u>1</u></u>	<u><u>61,715</u></u>
<i>Total liabilities and fund balance</i>	<u><u>\$ 4,511</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 61,715</u></u>

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

Capital Improvements SB-9 31700	Energy Efficiency Act 31800	Public School Capital Outlay 20% 32100	Total
\$ 29,286	\$ 11,077	\$ 1	\$ 44,876
-	-	-	-
-	-	-	-
5,526	-	-	67,241
-	-	-	-
-	-	-	-
<u>34,812</u>	<u>11,077</u>	<u>1</u>	<u>112,117</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
34,812	11,077	1	112,117
-	-	-	-
-	-	-	-
-	-	-	-
<u>34,812</u>	<u>11,077</u>	<u>1</u>	<u>112,117</u>
<u>\$ 34,812</u>	<u>\$ 11,077</u>	<u>\$ 1</u>	<u>\$ 112,117</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Bond Building 31100	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	-	57,604
Interest	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>57,604</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	164,642	-	63,110
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>164,642</u>	<u>-</u>	<u>63,110</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(164,642)</u>	<u>-</u>	<u>(5,506)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	150,000	-	-
<i>Total other financing sources (uses)</i>	<u>150,000</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(14,642)</u>	<u>-</u>	<u>(5,506)</u>
<i>Fund balances - beginning of year</i>	<u>19,153</u>	<u>1</u>	<u>67,221</u>
<i>Fund balances - end of year</i>	<u>\$ 4,511</u>	<u>\$ 1</u>	<u>\$ 61,715</u>

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

Capital Improvements SB-9 31700	Energy Efficiency Act 31800	Public School Capital Outlay 20% 32100	Total
\$ 41,462	\$ -	\$ -	\$ 41,462
131,522	-	-	131,522
-	-	-	-
-	-	-	57,604
-	-	-	-
<u>172,984</u>	<u>-</u>	<u>-</u>	<u>230,588</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
216,613	-	-	444,365
-	-	-	-
-	-	-	-
<u>216,613</u>	<u>-</u>	<u>-</u>	<u>444,365</u>
<u>(43,629)</u>	<u>-</u>	<u>-</u>	<u>(213,777)</u>
-	-	-	-
-	-	-	150,000
-	-	-	150,000
<u>(43,629)</u>	<u>-</u>	<u>-</u>	<u>(63,777)</u>
<u>78,441</u>	<u>11,077</u>	<u>1</u>	<u>175,894</u>
<u>\$ 34,812</u>	<u>\$ 11,077</u>	<u>\$ 1</u>	<u>\$ 112,117</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
BOND BUILDING CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	169,153	164,642	4,511
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>169,153</u>	<u>164,642</u>	<u>4,511</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(169,153)</u>	<u>(164,642)</u>	<u>4,511</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	19,153	-	(19,153)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	150,000	150,000	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>169,153</u>	<u>150,000</u>	<u>(19,153)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(14,642)</u>	<u>(14,642)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,153</u>	<u>19,153</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,511</u>	<u>\$ 4,511</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (14,642)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-4

MAGDALENA MUNICIPAL SCHOOLS

PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-5

MAGDALENA MUNICIPAL SCHOOLS

SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	57,604	57,604	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>57,604</u>	<u>57,604</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	67,220	124,824	63,110	61,714
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>67,220</u>	<u>124,824</u>	<u>63,110</u>	<u>61,714</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(67,220)</u>	<u>(67,220)</u>	<u>(5,506)</u>	<u>61,714</u>
<i>Other financing sources (uses):</i>				
Designated cash	67,220	67,220	-	(67,220)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>67,220</u>	<u>67,220</u>	<u>-</u>	<u>(67,220)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,506)</u>	<u>(5,506)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>67,221</u>	<u>67,221</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,715</u>	<u>\$ 61,715</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,506)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-6

MAGDALENA MUNICIPAL SCHOOLS

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	175,000	367,231	195,359	(171,872)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>175,000</u>	<u>367,231</u>	<u>195,359</u>	<u>(171,872)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	175,000	367,231	367,231	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>175,000</u>	<u>367,231</u>	<u>367,231</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(171,872)</u>	<u>(171,872)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(171,872)</u>	<u>(171,872)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,872</u>	<u>16,872</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (155,000)</u>	<u>\$ (155,000)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(20,359)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (192,231)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-7

MAGDALENA MUNICIPAL SCHOOLS

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 36,957	\$ 36,957	\$ 41,462	\$ 4,505
State grants	88,538	128,375	131,522	3,147
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>125,495</u>	<u>165,332</u>	<u>172,984</u>	<u>7,652</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	188,802	228,639	216,613	12,026
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>188,802</u>	<u>228,639</u>	<u>216,613</u>	<u>12,026</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(63,307)</u>	<u>(63,307)</u>	<u>(43,629)</u>	<u>19,678</u>
<i>Other financing sources (uses):</i>				
Designated cash	63,307	63,307	-	(63,307)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>63,307</u>	<u>63,307</u>	<u>-</u>	<u>(63,307)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(43,629)</u>	<u>(43,629)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>78,441</u>	<u>78,441</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,812</u>	<u>\$ 34,812</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (43,629)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
ENERGY EFFICIENCY ACT CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	8,985	11,075	-	11,075
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,985</u>	<u>11,075</u>	<u>-</u>	<u>11,075</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(8,985)</u>	<u>(11,075)</u>	<u>-</u>	<u>11,075</u>
<i>Other financing sources (uses):</i>				
Designated cash	8,985	11,075	-	(11,075)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>8,985</u>	<u>11,075</u>	<u>-</u>	<u>(11,075)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,077</u>	<u>11,077</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,077</u>	<u>\$ 11,077</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-9

MAGDALENA MUNICIPAL SCHOOLS

PUBLIC SCHOOL CAPITAL OUTLAY 20% CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

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DEBT SERVICE FUNDS

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DEBT SERVICE FUND

Debt Service (41000) - To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

Deferred Sick Leave Debt Service (42000) – To account for the District’s deferred sick leave program.

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2008

Statement D-1

	Debt Service 41000	Deferred Sick Leave 42000	Total
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 28,304	\$ 1	\$ 28,305
Accounts receivable			
Taxes	2,400	-	2,400
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>30,704</u>	<u>1</u>	<u>30,705</u>
<i>Total assets</i>	<u>30,704</u>	<u>1</u>	<u>30,705</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	-	-	-
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	30,704	1	30,705
Reserved for capital projects	-	-	-
Unreserved:			
Designated for subsequent year's expenditures	-	-	-
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	-	-	-
	<u>30,704</u>	<u>1</u>	<u>30,705</u>
<i>Total fund balance</i>	<u>30,704</u>	<u>1</u>	<u>30,705</u>
<i>Total liabilities and fund balance</i>	<u>\$ 30,704</u>	<u>\$ 1</u>	<u>\$ 30,705</u>

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

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STATE OF NEW MEXICO

Statement D-2

MAGDALENA MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDING JUNE 30, 2008

	Debt Service 41000	Deferred Sick Leave 42000	Total
<i>Revenues:</i>			
Property taxes	\$ 170,386	\$ -	\$ 170,386
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Interest	-	-	-
<i>Total revenues</i>	<u>170,386</u>	<u>-</u>	<u>170,386</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	212,836	-	212,836
Interest	29,025	-	29,025
<i>Total expenditures</i>	<u>241,861</u>	<u>-</u>	<u>241,861</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(71,475)</u>	<u>-</u>	<u>(71,475)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(71,475)</u>	<u>-</u>	<u>(71,475)</u>
<i>Fund balances - beginning of year</i>	<u>102,179</u>	<u>1</u>	<u>102,180</u>
<i>Fund balances - end of year</i>	<u>\$ 30,704</u>	<u>\$ 1</u>	<u>\$ 30,705</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DEBT SERVICE FUND

Statement D-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 97,275	\$ 140,655	\$ 167,986	\$ 27,331
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	97,275	140,655	167,986	27,331
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	973	973	-	973
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	75,000	212,836	212,836	-
Interest	22,275	29,025	29,025	-
<i>Total expenditures</i>	98,248	242,834	241,861	973
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(973)	(102,179)	(73,875)	28,304
<i>Other financing sources (uses):</i>				
Designated cash	973	102,179	-	(102,179)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	973	102,179	-	(102,179)
<i>Net changes in fund balances</i>	-	-	(73,875)	(73,875)
<i>Fund balances - beginning of year</i>	-	-	102,179	102,179
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 28,304	\$ 28,304
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,400	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (71,475)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DEFERRED SICK LEAVE DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

Schedule I
(Page 1 of 3)

	Balance June 30, 2007	Additions	Adjustments	Deletions	Balance June 30, 2008
Administration Miscellaneous	\$ 842	\$ 6,143	\$ -	\$ 6,350	\$ 635
Yearbook	-	2,328	-	-	2,328
Elementary Fund	3,468	7,913	-	8,598	2,783
FFA	146	6,138	-	5,849	435
Flower Fund	9	700	-	709	-
Football	186	2,396	-	2,407	175
Library	5,278	4,474	-	5,813	3,939
Science Club	338	-	-	-	338
Native American Club - HS	1	805	-	789	17
Native American Club - MS	79	198	-	118	159
Native American Club - ES	81	-	-	25	56
SPED - Elementary	117	-	-	-	117
SPED - Mid School	377	-	-	-	377
Volleyball	184	2,614	-	2,798	-
Student Council - Mid School	671	451	-	1,023	99
Student Council - High School	-	2,646	-	1,660	986
Athletic Pepsi Commission Fund	1,425	1,900	-	735	2,590
Athletic Concession Fund	4,094	26,320	-	20,935	9,479
HS Boys Basketball	300	117	-	-	417
Class of 2007	600	-	-	600	-
Class of 2008	765	852	-	1,617	-
Class of 2009	1,471	1,509	-	2,563	417

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

Schedule I
(Page 2 of 3)

	Balance June 30, 2007	Additions	Adjustments	Deletions	Balance June 30, 2008
Class of 2010	589	593	-	420	762
Class of 2011	672	247	-	100	819
Class of 2012	1,424	546	-	484	1,486
Class of 2013	221	403	-	436	188
Reading is Fundamental	-	482	-	482	-
Cheerleading	1,724	2,273	-	1,697	2,300
High School	1,926	867	-	638	2,155
MMS Scholarship Fund	1,867	-	-	-	1,867
HS Girls Basketball	2,305	4,039	-	5,590	754
Renaissance Program	1,980	4,032	-	4,320	1,692
Elementary Renaissance	5	975	-	980	-
Educators Scholarship	2,120	4,390	-	2,000	4,510
Art Club	124	-	-	-	124
Close-Up	9	4,967	-	4,005	971
Clint Benjamin Memorial	3,322	127	-	-	3,449
Auto Shop	8,326	24,113	-	25,475	6,964
Math Grant	43	-	-	-	43
TSA	-	682	-	30	652
Workstudy	-	-	-	-	-
Board of Education	1,875	1,800	-	-	3,675
Jay Apachito Scholarship	2,455	1,502	-	2,000	1,957
Eva Trujillo Scholarship	50	-	-	-	50

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

Schedule I
(Page 3 of 3)

	Balance June 30, 2007	Additions	Adjustments	Deletions	Balance June 30, 2008
Insurance Benefits	472	666,705	-	666,258	919
Federal / State Taxes	158	842,972	-	840,906	2,224
ERB	705	741,304	-	741,307	702
PNM Grant	2,689	107	-	2,796	-
Mid / High Incentives	1,461	1,024	-	2,288	197
Class of 2014	-	196	-	52	144
PBS	-	745	-	-	745
Pinon League	-	683	-	-	683
National Honor Society	-	500	-	-	500
Gear Up Scholarship	335,990	-	(22,207)	-	313,783
Total All Schools	\$ 392,944	\$ 2,373,778	\$ (22,207)	\$ 2,364,853	\$ 379,662

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2008

Schedule II

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2008	Name and Location of Safekeeper
Wells Fargo Bank	FNCT 31368HVV3 7.00%, Due 02-01-2014	\$ 108,942	Federal Reserve Bank San Francisco, CA
Wells Fargo Bank	FNCL 31410DQA1 6.00%, Due 08-01-2036	<u>598,976</u>	Federal Reserve Bank San Francisco, CA
		<u>\$ 707,918</u>	

The accompanying notes are and integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2008

Schedule III

Bank Account Type	Wells Fargo Bank	Totals
Checking - Clearing Account	\$ 104,676	\$ 104,676
Repurchase - Clearing Account	485,277	485,277
Checking - Activity Account	71,292	71,292
Invest Account	313,784	313,784
Total On Deposit	975,029	975,029
Reconciling Items	(355,623)	(355,623)
Reconciled Balance June 30, 2008	\$ 619,406	\$ 619,406
Plus: Petty Cash		25
Less: Fiduciary Funds Cash		(379,662)
Cash per Government-wide Financial Statements		\$ 239,769

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2008

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000	Food Service 21000
Cash, June 30, 2007	\$ 328,745	\$ 2,574	\$ 92	\$ (9,379)	\$ 55,560
Add:					
2007-08 revenues	5,027,164	-	507,852	56,393	216,001
Loans from other funds	-	-	-	-	-
Total cash available	5,355,909	2,574	507,944	47,014	271,561
Less:					
2007-08 expenditures	(5,041,220)	(206)	(504,186)	(45,076)	(179,032)
Loans to other funds	(314,689)	-	-	-	-
Cash, June 30, 2008	<u>\$ -</u>	<u>\$ 2,368</u>	<u>\$ 3,758</u>	<u>\$ 1,938</u>	<u>\$ 92,529</u>

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

Athletics 22000	Student Activities 23000	Gear-Up Scholarship 23000	Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 27000
\$ 5,294	\$ 56,954	\$ 335,990	\$ (166,015)	\$ 44,311	\$ (76,106)
15,484	2,373,778	-	612,220	611,133	298,787
-	-	-	245,852	37,679	53,127
20,778	2,430,732	335,990	692,057	693,123	275,808
(17,312)	(2,364,853)	(22,207)	(692,055)	(559,863)	(230,203)
-	-	-	-	(116,338)	-
<u>\$ 3,466</u>	<u>\$ 65,879</u>	<u>\$ 313,783</u>	<u>\$ 2</u>	<u>\$ 16,922</u>	<u>\$ 45,605</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2008

	State Direct 28000	Bond Building 31100	Public School Capital Outlay 31200	Spec. Capital Outlay-Local 31300
	\$ (994)	\$ 19,153	\$ 1	\$ 67,221
Add:				
2007-08 revenues	7,384	150,000	-	57,603
Loans from other funds	6,610	-	-	-
Total cash available	13,000	169,153	1	124,824
Less:				
2007-08 expenditures	(13,000)	(164,642)	-	(63,109)
Loans to other funds	-	-	-	(61,715)
Cash, June 30, 2008	\$ -	\$ 4,511	\$ 1	\$ -

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

Spec. Capital Outlay-State 31400	Cap. Improv. SB 9 31700	Energy Efficiency 31800	Public School Cap. Outlay 20% 32100	Debt Service 41000	Total
\$ 16,872	\$ 78,441	\$ 11,077	\$ 1	\$ 102,179	\$ 871,971
195,359	172,984	-	-	167,986	10,470,128
<u>155,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,268</u>
367,231	251,425	11,077	1	270,165	11,840,367
(367,231)	(216,613)	-	-	(241,861)	(10,722,669)
<u>-</u>	<u>(5,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(498,268)</u>
<u>\$ -</u>	<u>\$ 29,286</u>	<u>\$ 11,077</u>	<u>\$ 1</u>	<u>\$ 28,304</u>	<u>\$ 619,430</u>

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

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COMPLIANCE SECTION

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

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Magdalena Municipal School District
Magdalena, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column and the fiduciary fund column in the fund financial statements and the budgetary comparisons of the general and major special revenue funds of Magdalena Municipal School District, New Mexico, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 13, 2008. We also have audited the financial statements of each of the District's nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents, and have issued our report thereon dated November 13, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting (FS 08-01, 08-02 and 08-03).

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

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Magdalena Municipal School District, New Mexico'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 FS 08-04 and FS 08-05.

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

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

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 13, 2008

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FEDERAL FINANCIAL ASSISTANCE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Magdalena Municipal School District
Magdalena, New Mexico

Compliance

We have audited the compliance of Magdalena Municipal School District, New Mexico, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Magdalena Municipal School District, New Mexico's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Magdalena Municipal School District, New Mexico's management. Our responsibility is to express an opinion on Magdalena Municipal School District, New Mexico's compliance based on our audit.

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

In our opinion, Magdalena Municipal School District, New Mexico complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Magdalena Municipal School District, New Mexico is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Magdalena Municipal School District, New Mexico's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Drigo Professional Services, LLC

Albuquerque, New Mexico
November 13, 2008

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Schedule V
(Page 1 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Health and Human Services			
<i>Passthrough State of New Mexico Department of Health</i>			
Medicaid	25153	93.778	\$ 28,285
<i>Subtotal - Passthrough State of New Mexico Department of Health</i>			<u>28,285</u>
Total U.S. Department of Health and Human Services			<u>28,285</u>
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I	24101	84.010	448,304
IDEA B - Entitlement	24106	84.027	113,147
IDEA B - Pre School	24109	84.173	12,228
Title V	24150	84.298	3,150
Title IIA Teacher / Principal Training	24154	84.367A	69,485
Title IV Safe & Drug Free Schools	24157	84.186A	6,889
Title I School Improvement	24162	84.010	32,000
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>685,203</u>
<i>Direct U.S. Department of Education</i>			
Impact Aid (1)	11000	84.041	890,914
Impact Aid - Special Education (1)	25145	84.041	31,883
Impact Aid - Indian Education (1)	25147	84.041	153,834
Indian Education Formula Grant	25184	84.060A	44,557
Special Projects Demonstration USDE (1)	25194	84.299A	284,275
<i>Subtotal - Direct U.S. Department of Education</i>			<u>1,405,463</u>
Total U.S. Department of Education			<u>2,090,666</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Schedule V
(Page 2 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Agriculture			
<i>Direct U.S. Department of Agriculture</i>			
Forest Reserve	11000	10.672	<u>8,391</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>8,391</u>
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program	21000	10.555	<u>204,002</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>204,002</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	<u>13,926</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>13,926</u>
Total U.S. Department of Agriculture			<u>226,319</u>
U.S. Department of Interior			
<i>Passthrough State of New Mexico Department of Education</i>			
Johnson O'Malley	25131	15.130	<u>20,136</u>
Total U.S. Department of Interior			<u>20,136</u>
Total Federal Financial Assistance			<u><u>\$ 2,365,406</u></u>

(1) Denotes Major Federal Financial Assistance Program

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Schedule V
(Page 3 of 3)

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Magdalena Municipal School District (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

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

3. Non Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2008 was \$13,926 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,365,406
Total expenditures funded by other sources	<u>5,984,002</u>
Total expenditures	<u><u>\$ 8,349,408</u></u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

Section I – Summary of Audit Results

Financial Statements:

- | | |
|---|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Control deficiencies identified not considered to be significant deficiencies? | No |
| d. Noncompliance material to financial statements noted? | No |

Federal Awards:

- | 1. Internal control over major programs: | | | | | | | |
|---|-------------------------------------|-----------------|---------|-------------------------------------|--------|----------------------|--|
| a. Material weakness identified? | No | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | No | | | | | | |
| c. Control deficiencies identified not considered to be significant deficiencies? | No | | | | | | |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA
Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">84.299A</td> <td style="text-align: center;">Special Projects Demonstration USDE</td> </tr> <tr> <td style="text-align: center;">84.041</td> <td style="text-align: center;">Impact Aid Education</td> </tr> </tbody> </table> | CFDA
Number | Federal Program | 84.299A | Special Projects Demonstration USDE | 84.041 | Impact Aid Education | |
| CFDA
Number | Federal Program | | | | | | |
| 84.299A | Special Projects Demonstration USDE | | | | | | |
| 84.041 | Impact Aid Education | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee? | Yes | | | | | | |

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

Section II – Financial Statement Findings

FS 08-01— Payroll Documentation

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations. The Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a form I-9 within 3 days of hire. This form is to be retained for either three years after the date of hire or one year after the date of termination, whichever is later.

Condition: During our test work of personnel files, GPS noted that two out of twenty employees tested did not have an accurately completed I-9 on file. GPS also noted that one out of twenty employees tested did not have an accurately completed W-4 on file.

Cause: The District was unaware that the employees had incomplete files.

Effect: The District is not in compliance with the State statutes and the Immigration Reform & Control Act of 1986 and could be subject to penalties. Also the District could be employing an individual who is not legally able to work in the United States.

Auditors' Recommendations: The District must require all employees to complete the necessary forms and retain the necessary documents in each employee's personnel file. In addition, the District should make periodic checks to ensure all such information is being properly maintained.

Management's Response: The Magdalena Schools will ensure that all employees complete the necessary forms and retain the necessary documents in each employee's personnel file. The Human Resources secretary will make periodic checks to ensure that all information is being properly maintained.

FS 08-02— Compensated Absences

Criteria: According to NMAC 6.20.2.18, the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

Condition: During our test work of compensated absences (sick and annual leave), GPS noted that all five out of the five employees tested did not accrue the proper number of sick days during the year. We also noted one employee who earned annual leave upon her hire date rather than on her one year anniversary.

Cause: There appears to have been a glitch in the system that automatically accrues employees' leave.

Effect: Employees of the District could be credited with too little or too much leave according to what they're entitled to based on the District's personnel policies and procedures. Also, employee pay stubs may be inaccurate throughout the year and they may be unaware of the number of days' leave they actually have accrued.

Auditors' Recommendations: This problem has since been corrected, but GPS recommends that the District perform regular periodic checks of employee leave balances to ensure the system is properly accruing sick and annual leave.

Management's Response: The Magdalena Schools will ensure that all leave files are properly maintained and that leave balances are periodically checked to ensure accuracy.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

FS 08-03— Bank Reconciliations

Criteria: According to NMAC 6.20.2.14 K, all bank accounts shall be reconciled on a monthly basis. The reconciled bank balances should be agreed to the general ledger.

Condition: During our test work of cash, GPS noted that the bank statements were reconciled monthly, but that the reconciled bank balances did not agree with the general ledger.

Cause: Throughout the year, there were several transactions which were posted to the bank statement, but were not recorded in the general ledger. The bank statements were reconciled monthly, but the reconciled balances were not agreed with the general ledger due to a software issue.

Effect: Though the amount of the difference was not material, the District was reporting and making decisions based on incorrect cash balances.

Auditors' Recommendations: We recommend that the District agree reconciled bank balances to the general ledger monthly to ensure that all transactions are being properly recorded in the District's books.

Management's Response: The Magdalena Schools will agree all reconciled bank balances to the General Ledger monthly to ensure that all transactions are being properly recorded.

FS 08-04 Budgetary Conditions

Criteria: Sound financial management and 6-6-6 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Condition: The District had the following expenditure functions where actual expenditures exceeded budgetary authority:

Nonmajor Funds:	
Entitlement IDEA-B	
Instruction	\$ 14,507
Support Services (combined)	3,163
Preschool IDEA-B	
Instruction	<u>902</u>
Total	<u>\$ 18,572</u>

Cause: The District did not make the appropriate budgetary transfers to alleviate the over-expenditure.

Effect: The District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management's Response: The Magdalena Schools will continue to work with the REC as well as PED to try and establish a better way of budgeting and maintaining the IDEA-B funds.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

FS 08-05 Per Diem and Mileage Act

Criteria: According to 10-8-4 NMSA 1978 and 2.42.2.11 B (1), every public officer or employee shall be reimbursed for mileage accrued in the use of a private automobile in the discharge of official duties in the amount of thirty-two cents (\$.32) a mile.

Condition: During our testwork of the District's compliance with the per diem and mileage act, we noted that both mileage reimbursements we tested were at a rate of \$.35 instead of \$.32.

Cause: The District was not aware of the maximum state reimbursement rate of \$.32.

Effect: The District is in non compliance with New Mexico law, and has reimbursed employees at a rate greater than the maximum allowed mileage rate.

Auditor's Recommendation: We recommend that the District follow state requirements and only reimburse employees for mileage at a rate of \$.32.

Management's Response: The Magdalena Schools were reimbursing based on the Federally Approved Mileage Reimbursement rate, which is \$.445 effective January 1, 2006 and \$.485 effective February 1, 2007. The district will reduce our reimbursement amount to the state level of \$.32 for fiscal year 2008-09.

Section III – Federal Award Findings

None

Section IV – Prior Year Audit Findings

FS 07-01 Cash Receipts – Not deposited within 24 hours - Resolved

Section V – Other Disclosures

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on November 13, 2008. The following individuals were in attendance.

Magdalena Municipal School District
Mike Chambers, Superintendent
Dorothy Zamora, Business Manager
Keri James, Federal & State Program Coordinator
David Montoya, Board President

Griego Professional Services, LLC
Monica Yapple, CPA