

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2010



(This page intentionally left blank.)

INTRODUCTORY SECTION

(This page intentionally left blank.)

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010
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
Food Services Special Revenue Fund	C-5	15
Teacher/Principal Training/Recruiting Special Revenue Fund	C-6	16
Title I – IASA Special Revenue Fund	C-7	17
Statement of Fiduciary Assets and Liabilities – Agency Funds	D-1	18
Notes to the Financial Statements		19
	<u>Statement/ Schedule</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	38
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	50
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Athletics Special Revenue Fund	B-3	58
Title I Special Revenue Fund	B-4	59
Entitlement IDEA-B Special Revenue Fund	B-5	60
Discretionary IDEA-B Special Revenue Fund	B-6	61
Preschool IDEA-B Special Revenue Fund	B-7	62
IDEA-B “Risk Pool” Special Revenue Fund	B-8	63
Title I 1003g Grant Special Revenue Fund	B-9	64
Technology Literacy Challenge Special Revenue Fund	B-10	65
Enhancing Education Thru Technology Special Revenue Fund	B-11	66

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010
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)		
Title V Part A Innovative Ed Pro Strategies Special Revenue Fund	B-12	67
Safe & Drug Free Schools & Community Special Revenue Fund	B-13	68
Title I – School Improvement Special Revenue Fund	B-14	69
Entitlement IDEA-B Federal Stimulus Special Revenue Fund	B-15	70
Preschool IDEA-B Federal Stimulus Special Revenue Fund	B-16	71
Johnson O’Malley Special Revenue Fund	B-17	72
Impact Aid Special Education Special Revenue Fund	B-18	73
Impact Aid Indian Education Special Revenue Fund	B-19	74
Title XIX Medicaid 3 / 21 Years Special Revenue Fund	B-20	75
Indian Ed Formula Grant Special Revenue Fund	B-21	76
Special Projects Demonstration USDE Special Revenue Fund	B-22	77
SEG Federal Stimulus Special Revenue Fund	B-23	78
Dual Credit Instructional Materials Special Revenue Fund	B-24	79
Library GO Bonds Special Revenue Fund	B-25	80
Technology for Education PED Special Revenue Fund	B-26	81
Pre K Initiative Special Revenue Fund	B-27	82
Beginning Teacher Mentoring Program Special Revenue Fund	B-28	83
Breakfast for Elementary Students Special Revenue Fund	B-29	84
Kindergarten Three Plus Special Revenue Fund	B-30	85
After School Enrichment Program Special Revenue Fund	B-31	86
Libraries SB301 GO Bonds Special Revenue Fund	B-32	87
Rural Revitalization Special Revenue Fund	B-33	88
2008 Library Book Special Revenue Fund	B-34	89
Combining Balance Sheet – Nonmajor Capital Projects Funds	C-1	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	C-2	92
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Bond Building Capital Project Fund	C-3	93
Special Capital Outlay-Local Capital Project Fund	C-4	94
Capital Improvements SB-9 Capital Project Fund	C-5	95
Combining Balance Sheet – Nonmajor Debt Service Funds	D-1	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	D-2	98
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Debt Service Fund	D-3	99
 SUPPORTING SCHEDULES		
Schedule of Changes in Assets and Liabilities – Agency Funds	I	100
Schedule of Collateral Pledged by Depository	II	103
Schedule of Cash and Temporary Investment Accounts	III	104
Cash Reconciliation	IV	105

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010
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>	109
---	-----

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	111
Schedule of Expenditures of Federal Awards	V 113
Schedule of Findings and Questioned Costs	VI 116

(This page intentionally left blank.)

**OFFICIAL ROSTER
JUNE 30, 2010**

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Barbara Gordon		President
Randell Major		Vice President
Julie Herrera		Secretary
Gail Armstrong		Member
Manuel Guerro		Member
	<u>School Officials</u>	
Mike Chambers		Superintendent
R. Dorothy Zamora		Business Manager

(This page intentionally left blank.)

FINANCIAL SECTION

(This page intentionally left blank.)



Griego Professional Services, LLC

Certified Public Accountants

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 financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general funds and major special revenue funds of Magdalena Municipal School District, New Mexico, as of and for the year ended June 30, 2010, 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 the budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Magdalena Municipal School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expression an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the general funds 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, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service funds 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 9, 2010 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.

P.O. Box 37379 • Albuquerque, NM 87176-7379
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112
Phone (505) 856-2741 - Fax (505) 856-7510

(This page intentionally left blank.)

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 basic financial statements and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local 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 9, 2010

(This page intentionally left blank.)

Magdalena Municipal School District

Michael Chambers, Superintendent

Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2010

This Management Discussion and Analysis of the fiscal performance of the MAGDALENA MUNICIPAL SCHOOL DISTRICT (District) for the period ending June 30, 2010 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, 2010. 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 Questioned Costs.

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 435 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, 2010

*

The overall adjusted Fund Balance increased from \$722,977 for the year ending June 30, 2009 to \$912,507 for the year ending June 30, 2010. This represents an increase in the fund balance of \$189,530. The District anticipates a cut in funding for fiscal year 2010-11 therefore was prudent in spending in fiscal year 2009-10.

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 \$11,756,502. The District has \$724,162 of cash and cash equivalents on hand as of June 30, 2010 compared to \$215,873 in accounts payable and other current liabilities. Net Assets totaling \$84,061 are "restricted" for capital projects and debt service. Net Assets totaling \$743,041 are "unrestricted".

	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Assets		
Cash Assets	\$ 412,559	\$ 724,162
Other Assets	428,834	258,813
Capital Assets	16,479,101	16,736,488
Less Accumulated Depreciation	<u>(4,896,106)</u>	<u>(5,372,088)</u>
Total Assets	<u>\$ 12,424,388</u>	<u>\$ 12,347,375</u>
Liabilities		
Accounts Payable	\$ 37,677	\$ 19,596
Other Current Liabilities	202,413	196,277
Long Term Liabilities	<u>435,000</u>	<u>375,000</u>
Total Liabilities	<u>\$ 675,090</u>	<u>\$ 590,873</u>
Net Assets		
Invested in Capital Assets	\$ 11,087,995	\$ 10,929,400
Restricted	62,934	84,061
Unrestricted	<u>598,369</u>	<u>743,041</u>
Total Net Assets	<u>\$ 11,749,298</u>	<u>\$ 11,756,502</u>

GASB 34 rules now require public entities to depreciate capital assets. This statement includes accumulated depreciation of the District's capital assets in the amount of \$5,372,088. 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, 2010. As of June 30, 2010 the District had net assets of \$11,756,502. The beginning year total net assets is \$11,749,298 reflecting an increase in total net assets of \$7,204 for the year ending June 30, 2010.

	June 30, 2009	June 30, 2010
Expenses for Governmental Activities	\$ 7,786,170	\$ 8,010,693
Less Charges for Services	30,387	29,016
Less Operating Grants and Contributions	3,164,266	3,665,605
Less Capital Grants and Contributions	282,946	338,217
Net (Expenses) Revenues and Changes in Net Assets	<u>(4,308,571)</u>	<u>(3,977,855)</u>
General Revenues		
Taxes - general, debt service, capital projects	184,641	106,262
Federal and State Aid not restricted to specific purpose	4,062,521	3,852,783
Interest Earned	568	-
Gain on sale of Fixed Assets	-	1,499
Miscellaneous	51,938	24,515
Subtotal, General Revenues	<u>4,299,668</u>	<u>3,985,059</u>
Changes in Net Assets	(8,903)	7,204
Net Assets Beginning	11,758,201	11,749,298
 Net Assets - Ending	 <u>\$ 11,749,298</u>	 <u>\$ 11,756,502</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 \$8,017,897. Total expenditures for the District were \$7,828,367. The total ending fund balance was \$912,507; an increase of \$189,530 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	12.13%	4,646,772	-36.09%
2001-2002	4,953,524	4.12%	5,182,259	11.52%
2002-2003	5,867,103	18.44%	5,447,618	5.12%
2003-2004	6,474,314	10.35%	6,591,560	21.00%
2004-2005	8,641,936	33.48%	8,597,905	30.44%
2005-2006	7,102,484	-17.81%	7,323,703	-14.82%
2006-2007	7,119,844	0.24%	7,023,238	-4.10%
2007-2008	8,036,988	12.91%	8,349,407	18.88%
2008-2009	7,777,267	-3.23%	7,580,549	-9.21%
2009-2010	8,017,897	3.09%	7,828,367	3.27%

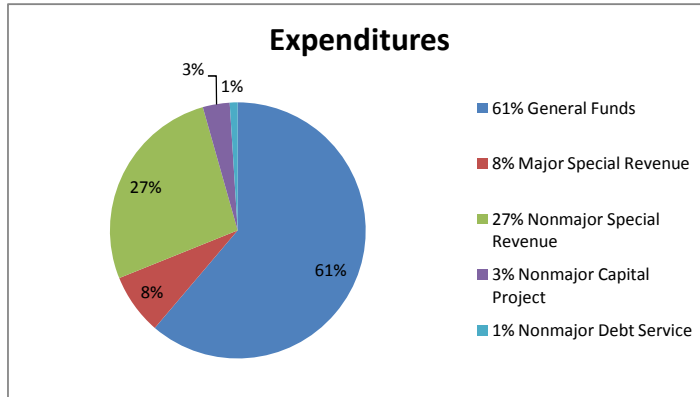
* Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenditures include capital outlays.

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 Fund), Teacherage Fund, Transportation Fund, Instructional Materials Fund, Food Services Special Revenue Fund, Teacher/Principal Training/Recruiting Special Revenue Fund, and Title I - IASA - Federal Stimulus Special Revenue Fund. In addition, thirty-two (32) non-major Special Revenue Funds, five (5) non-major Capital Projects Funds and one (1) Debt Service Fund 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 Funds represents 61% 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, 2010. 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 Funds	5,451,860	4,821,194	630,666
Special Revenue Funds	730,215	607,333	122,882

COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

Fund Type	Final Budget	Actual	Variance
Special Funds	2,392,963	2,099,587	293,376
Capital Projects	340,221	271,380	68,841
Debt Service Fund	105,019	78,345	26,674

The general fund had significant variations in amounts because anticipated cuts in budget. 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.

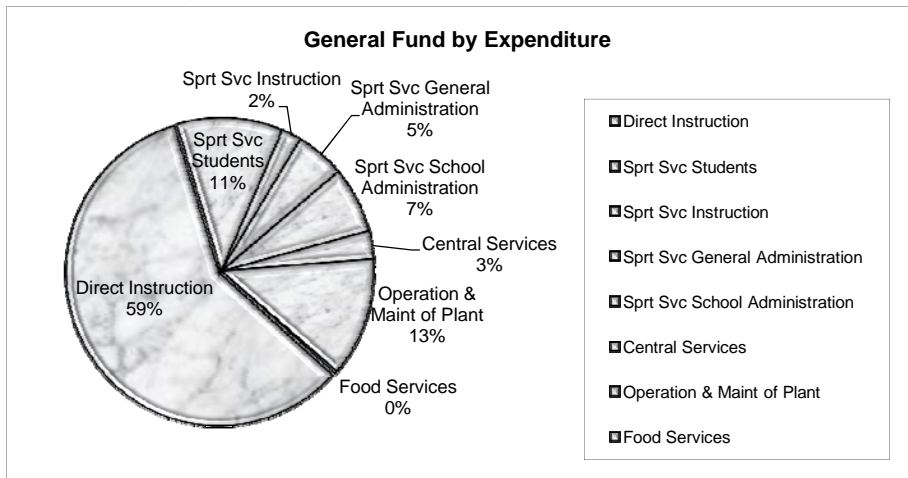
The General Fund

The General Fund revenues represents \$4,595,126 of the total \$8,017,897 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	4%
2007-2008	5,027,096	9%
2009-2010	4,988,548	-1%
2009-2010	4,595,126	-8%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$4,377,311 was expended in the year ending June 30, 2010. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$2,563,982 and represents 59% 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.



Instructional Support represents 11% of General Fund expenditures and account for expenditures for 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 Principals account for 14% and the Business Office represent 3% of the overhead support of the entire operations of the District; these programs combined represent 16% of the total General Fund. Operation of the Plant account for 13% 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 athletics, food service and transportation.

Capital Assets

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

Asset Type	Balance June 30, 2008	Balance June 30, 2009	Balance June 30, 2010
Land & Improvements	1,430,457	1,602,927	1,660,559
Buildings & Improvements	13,598,211	13,598,211	13,696,771
Furniture, Fixtures & Equipment	1,242,387	1,277,963	1,379,158
Total Capital Assets	16,271,055	16,479,101	16,736,488
Less Accumulated Depreciation	(4,425,723)	(4,896,106)	(5,372,088)
Capital Assets-Net	11,845,332	11,582,995	11,364,400

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, 2010.

Year Ended June 30	Principal	Interest	Totals
2011	60,000	15,606	75,606
2012	60,000	13,487	73,487
2013	65,000	11,216	76,216
2014	65,000	8,796	73,796
2015	70,000	6,173	76,173
2016-2019	115,000	5,010	120,010
Total	435,000	60,288	495,288

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 \$495,315 as of June 30, 2010; \$251,049 held on behalf of the students.

Future Trends

Given the uncertainty of the financial picture for the state, the district will continue to monitor expenditures and maintain a conservative approach to spending. We do have both a \$2 million levy and a bond continuation question on the February election ballot. Should the bond question pass we intend to add a new testing/meeting center, a new metal building to house the Ag shop, and renovate the existing Ag shop to add four new classrooms. We expect new cuts to the state funding formula for education to be an on-going discussion and intend to monitor new developments very closely.

(This page intentionally left blank.)

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit A-1
 (Page 1 of 2)

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and temporary investments	\$ 724,162
Receivables (net of allowance for uncollectible)	224,235
Inventory	4,805
Total current assets	<u>953,202</u>
Noncurrent assets	
Bond issuance costs (net of amortization of \$75,928)	29,773
Capital assets (net of accumulated depreciation):	
Land	
Land improvements	1,660,559
Buildings and building improvements	13,696,771
Furniture, fixtures and equipment	1,379,158
Less: accumulated depreciation	<u>(5,372,088)</u>
Total noncurrent assets	<u>11,394,173</u>
Total assets	<u><u>\$ 12,347,375</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, 2010

Exhibit A-1
(Page 2 of 2)

		<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$	19,596
Accrued compensated absences		111,017
Accrued interest		4,161
Deferred Revenue		21,099
Current portion of long-term debt		<u>60,000</u>
Total current liabilities		215,873
Noncurrent liabilities:		
Bonds due in more than one year		<u>375,000</u>
Total noncurrent liabilities		375,000
Total liabilities		590,873
Invested in capital assets, net of related debt		10,929,400
Restricted for:		
Debt service		61,217
Capital projects		22,844
Unrestricted		<u>743,041</u>
Total net assets		<u>11,756,502</u>
Total liabilities and net assets	\$	<u><u>12,347,375</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, 2010

Primary Government	Expenses	Charges for Service
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction	\$ 4,793,537	\$ 19,463
Support services:		
Students	589,402	-
Instruction	158,557	-
General Administration	329,502	-
School Administration	414,994	-
Central Services	145,621	-
Operation & Maintenance of Plant	766,215	-
Student Transportation	358,321	-
Food Services Operation	250,711	9,553
Community Services	16,857	-
Facilities Materials, Supplies & Other Services	169,821	-
Interest on long-term debt	17,155	-
Total Primary Government	\$ 8,010,693	\$ 29,016

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	
\$ 2,607,579	\$ -	\$ (2,166,495)
33,664	-	(555,738)
-	-	(158,557)
-	-	(329,502)
-	-	(414,994)
-	-	(145,621)
419,472	-	(346,743)
328,838	73,000	43,517
276,052	-	34,894
-	-	(16,857)
-	265,217	95,396
-	-	(17,155)
<u>\$ 3,665,605</u>	<u>\$ 338,217</u>	<u>\$ (3,977,855)</u>

General Revenues:

Property taxes:	
Levied for general purposes	\$ 6,052
Levied for debt service	65,547
Levied for capital projects	34,663
State Equalization Guarantee	3,852,783
Gain on sale of assets	1,499
Miscellaneous	24,515
	<u>3,985,059</u>
Total general revenues	<u>3,985,059</u>
Change in net assets	7,204
Net assets - beginning	<u>11,749,298</u>
Net assets - ending	<u>\$ 11,756,502</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, 2010

	General 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 470,975	\$ 2,368	\$ 5,680	\$ 1,478
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	219,306	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
	<u>690,281</u>	<u>2,368</u>	<u>5,680</u>	<u>1,478</u>
<i>Total assets</i>	<u>690,281</u>	<u>2,368</u>	<u>5,680</u>	<u>1,478</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	14,570	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
	<u>14,570</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>14,570</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	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	481,859	2,367	-	-
Undesignated, reported in				
General Fund	193,852	1	5,680	1,478
Special Revenue Funds	-	-	-	-
	<u>675,711</u>	<u>2,368</u>	<u>5,680</u>	<u>1,478</u>
<i>Total fund balance</i>	<u>675,711</u>	<u>2,368</u>	<u>5,680</u>	<u>1,478</u>
<i>Total liabilities and fund balance</i>	<u>\$ 690,281</u>	<u>\$ 2,368</u>	<u>\$ 5,680</u>	<u>\$ 1,478</u>

The accompanying notes are an integral part of these financial statements

Food Services 21000	Teacher/Principal Training / Recruiting 24154	Title I IASA Federal Stimulus 24201	Other Governmental Funds	Total Primary Government
\$ 103,492	\$ -	\$ -	\$ 140,169	\$ 724,162
-	-	-	-	-
9,704	33,110	73,038	108,383	224,235
-	-	-	-	219,306
-	-	-	-	-
4,805	-	-	-	4,805
<u>118,001</u>	<u>33,110</u>	<u>73,038</u>	<u>248,552</u>	<u>1,172,508</u>
2,753	-	-	2,273	19,596
-	-	-	-	-
-	-	-	-	-
-	33,110	73,038	113,158	219,306
-	-	-	-	-
-	-	-	21,099	21,099
<u>2,753</u>	<u>33,110</u>	<u>73,038</u>	<u>136,530</u>	<u>260,001</u>
4,805	-	-	-	4,805
-	-	-	61,217	61,217
-	-	-	22,844	22,844
70,309	-	-	-	554,535
-	-	-	-	201,011
40,134	-	-	27,961	68,095
<u>115,248</u>	<u>-</u>	<u>-</u>	<u>112,022</u>	<u>912,507</u>
<u>\$ 118,001</u>	<u>\$ 33,110</u>	<u>\$ 73,038</u>	<u>\$ 248,552</u>	<u>\$ 1,172,508</u>

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank.)

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, 2010

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 912,507
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,364,400
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	29,773
Accrued interest	(4,161)
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	(111,017)
General obligation bonds	<u>(435,000)</u>
Net Assets-total Governmental Activities	<u><u>\$ 11,756,502</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, 2010

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
<i>Revenues:</i>				
Property taxes	\$ 6,052	\$ -	\$ -	\$ -
State grants	3,852,783	-	388,396	17,496
Federal grants	677,510	-	-	-
Miscellaneous	58,781	-	112	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,595,126</u>	<u>-</u>	<u>388,508</u>	<u>17,496</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,563,982	-	-	31,457
Support Services				
Students	490,626	-	-	-
Instruction	91,891	-	-	-
General Administration	227,662	-	-	-
School Administration	305,027	-	-	-
Central Services	129,781	-	-	-
Operation & Maintenance of Plant	553,105	-	-	-
Student Transportation	-	-	383,549	-
Other Support Services	-	-	-	-
Food Services Operations	15,237	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,377,311</u>	<u>-</u>	<u>383,549</u>	<u>31,457</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>217,815</u>	<u>-</u>	<u>4,959</u>	<u>(13,961)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	(2,756)	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,756)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	215,059	-	4,959	(13,961)
<i>Fund balances - beginning of year</i>	<u>460,652</u>	<u>2,368</u>	<u>721</u>	<u>15,439</u>
<i>Fund balances - end of year</i>	<u>\$ 675,711</u>	<u>\$ 2,368</u>	<u>\$ 5,680</u>	<u>\$ 1,478</u>

The accompanying notes are an integral part of these financial statements

Food Services 21000	Teacher/Principal Training / Recruiting 24154	Title I IASA Federal Stimulus 24201	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ -	\$ 100,210	\$ 106,262
9,704	-	-	347,721	4,616,100
259,331	79,429	281,932	1,805,896	3,104,098
9,553	-	-	122,991	191,437
-	-	-	-	-
<u>278,588</u>	<u>79,429</u>	<u>281,932</u>	<u>2,376,818</u>	<u>8,017,897</u>
-	78,334	269,542	1,461,504	4,404,819
-	-	-	98,776	589,402
-	-	-	60,254	152,145
-	1,095	7,100	91,894	327,751
-	-	4,494	102,313	411,834
-	-	-	15,840	145,621
-	-	-	199,881	752,986
-	-	-	31,464	415,013
-	-	-	-	-
242,373	-	-	11,136	268,746
-	-	796	16,061	16,857
-	-	-	265,528	265,528
-	-	-	60,000	60,000
-	-	-	17,665	17,665
<u>242,373</u>	<u>79,429</u>	<u>281,932</u>	<u>2,432,316</u>	<u>7,828,367</u>
<u>36,215</u>	<u>-</u>	<u>-</u>	<u>(55,498)</u>	<u>189,530</u>
-	-	-	2,756	-
-	-	-	-	-
-	-	-	2,756	-
36,215	-	-	(52,742)	189,530
<u>79,033</u>	<u>-</u>	<u>-</u>	<u>164,764</u>	<u>722,977</u>
<u>\$ 115,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,022</u>	<u>\$ 912,507</u>

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank.)

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, 2010

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	\$ 189,530
<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	(475,982)
Capital Outlays	257,387
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	510
Increase in accrued compensated absences	(18,859)
Amortization of bond issuance costs	(5,382)
Bond Proceeds	-
Principal payments on bonds	60,000
	60,000
Change in Net Assets-total Governmental Activities	\$ 7,204

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank.)

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 8,082	\$ 8,082	\$ 6,052	\$ (2,030)
State grants	3,758,869	3,674,778	3,852,783	178,005
Federal grants	873,564	873,564	677,510	(196,054)
Miscellaneous	-	-	83,932	83,932
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,640,515</u>	<u>4,556,424</u>	<u>4,620,277</u>	<u>63,853</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,808,163	2,808,163	2,569,284	238,879
Support Services				
Students	694,071	694,071	493,953	200,118
Instruction	87,281	87,281	94,660	(7,379)
General Administration	243,169	278,169	230,473	47,696
School Administration	318,526	318,526	314,944	3,582
Central Services	124,333	124,333	133,339	(9,006)
Operation & Maintenance of Plant	661,633	700,601	549,455	151,146
Student Transportation	-	-	-	-
Other Support Services	867	867	-	867
Food Services Operations	18,518	18,518	15,237	3,281
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,956,561</u>	<u>5,030,529</u>	<u>4,401,345</u>	<u>629,184</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(316,046)</u>	<u>(474,105)</u>	<u>218,932</u>	<u>693,037</u>
<i>Other financing sources (uses):</i>				
Designated cash	316,046	474,105	-	(474,105)
Operating transfers	-	-	(2,756)	(2,756)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>316,046</u>	<u>474,105</u>	<u>(2,756)</u>	<u>(476,861)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>216,176</u>	<u>216,176</u>
<i>Fund balances - beginning of year</i>	<u>(316,046)</u>	<u>(474,105)</u>	<u>474,105</u>	<u>948,210</u>
<i>Fund balances - end of year</i>	<u>\$ (316,046)</u>	<u>\$ (474,105)</u>	<u>\$ 690,281</u>	<u>\$ 1,164,386</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(25,151)	
Adjustments to expenditures			24,034	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 215,059</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, 2010

	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>				
<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>2,368</u>	<u>2,368</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,368</u>	<u>\$ 2,368</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

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	289,600	388,396	388,396	-
Federal grants	-	-	-	-
Miscellaneous	-	-	112	112
Interest	-	-	-	-
<i>Total revenues</i>	<u>289,600</u>	<u>388,396</u>	<u>388,508</u>	<u>112</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	289,600	388,396	388,392	4
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>289,600</u>	<u>388,396</u>	<u>388,392</u>	<u>4</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>116</u>	<u>116</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>116</u>	<u>116</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,564</u>	<u>5,564</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,680</u>	<u>\$ 5,680</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			4,843	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 4,959</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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	17,497	17,497	17,496	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>17,497</u>	<u>17,497</u>	<u>17,496</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	17,497	32,935	31,457	1,478
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>17,497</u>	<u>32,935</u>	<u>31,457</u>	<u>1,478</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(15,438)</u>	<u>(13,961)</u>	<u>1,477</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	15,438	-	(15,438)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>15,438</u>	<u>-</u>	<u>(15,438)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(13,961)</u>	<u>(13,961)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>(15,438)</u>	<u>15,439</u>	<u>30,877</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (15,438)</u>	<u>\$ 1,478</u>	<u>\$ 16,916</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>\$ (13,961)</u>	

The accompanying notes are an integral part of these financial statements

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, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	160,000	160,000	247,271	87,271
Miscellaneous	6,000	6,000	9,553	3,553
Interest	-	-	-	-
<i>Total revenues</i>	<u>166,000</u>	<u>166,000</u>	<u>256,824</u>	<u>90,824</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	232,686	258,615	245,972	12,643
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>232,686</u>	<u>258,615</u>	<u>245,972</u>	<u>12,643</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(66,686)</u>	<u>(92,615)</u>	<u>10,852</u>	<u>103,467</u>
<i>Other financing sources (uses):</i>				
Designated cash	66,686	92,615	-	(92,615)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>66,686</u>	<u>92,615</u>	<u>-</u>	<u>(92,615)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>10,852</u>	<u>10,852</u>
<i>Fund balances - beginning of year</i>	<u>(66,686)</u>	<u>(92,615)</u>	<u>92,640</u>	<u>185,255</u>
<i>Fund balances - end of year</i>	<u>\$ (66,686)</u>	<u>\$ (92,615)</u>	<u>\$ 103,492</u>	<u>\$ 196,107</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			21,764	
Adjustments to expenditures			3,599	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 36,215</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	74,385	80,082	63,256	(16,826)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>74,385</u>	<u>80,082</u>	<u>63,256</u>	<u>(16,826)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	74,385	78,987	78,334	653
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,095	1,095	-
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>74,385</u>	<u>80,082</u>	<u>79,429</u>	<u>653</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(16,173)</u>	<u>(16,173)</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>(16,173)</u>	<u>(16,173)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,937)</u>	<u>(16,937)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,110)</u>	<u>\$ (33,110)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			16,173	
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
TITLE I - IASA FEDERAL STIMULUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	<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	206,998	391,518	229,215	(162,303)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>206,998</u>	<u>391,518</u>	<u>229,215</u>	<u>(162,303)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	194,335	374,073	269,542	104,531
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	5,363	10,145	7,100	3,045
School Administration	5,200	5,200	4,494	706
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	2,100	2,100	796	1,304
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>206,998</u>	<u>391,518</u>	<u>281,932</u>	<u>109,586</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(52,717)</u>	<u>(52,717)</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>(52,717)</u>	<u>(52,717)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20,321)</u>	<u>(20,321)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,038)</u>	<u>\$ (73,038)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			52,717	
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

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Student Activities Cash	\$ 251,049
Gear Up Scholarship Cash	<u>244,266</u>
<i>Total assets</i>	<u><u>495,315</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>495,315</u>
<i>Total liabilities</i>	<u><u>\$ 495,315</u></u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 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, 2010

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, 2010

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 *Food Services Special Revenue Fund* is used 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.

The *Teacher/Principal Training and Recruiting Special Revenue Fund* is used 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.

The *Title I – IASA – Federal Stimulus 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.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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 2010 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2010.

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.

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, 2010.

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, 2010, 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, 2010.

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, 2010

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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 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 \$3,852,783 in state equalization guarantee distributions during the year ended June 30, 2010.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

E. *Revenues (continued)*

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 \$108,699 in tax revenues during the year ended June 30, 2010. 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.

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 \$315,396 in transportation distributions during the year ended June 30, 2010 plus an additional \$73,000 in transportation emergency supplemental funding.

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, 2010 totaled \$17,496.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

E. *Revenue -(continued)*

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, 2010, the District received \$104,880 in special capital outlay (local) funds.

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 \$160,337 in state SB-9 matching during the year ended June 30, 2010.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

Budgetary Information - (continued)

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

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

1. In April or May, the 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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

Budgetary Information - (continued)

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

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, 2010, 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. All invested funds of the District properly followed State investment requirements as of June 30, 2010.

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 \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, until December 31, 2010, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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	\$ 1,418,705
FDIC coverage	<u>(250,000)</u>
Total uninsured public funds	1,168,705
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	<u>1,062,085</u>
Uninsured and uncollateralized	106,620
Collateral requirement (50% of uninsured public funds)	\$ 584,353
Pledged security	<u>1,062,085</u>
Total under (over) collateralized	<u>\$ (477,732)</u>

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, 2010, \$1,168,708 of the District's bank balance of \$1,418,705 was exposed to custodial credit risk as \$1,062,085 was uninsured and the collateral was held by the pledging bank's trust department not in the District's name and the remaining \$106,620 was uninsured and uncollateralized.

At June 30, 2010, the carrying amount of these deposits was \$1,219,452.

Reconciliation of Cash and Temporary Investments

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit B-1	\$ 724,162
Statement of Fiduciary Net Assets – cash per Exhibit D-1	<u>495,315</u>
	1,219,477
Add outstanding checks and other reconciling items	<u>199,253</u>
	1,418,730
Less petty cash	<u>(25)</u>
Bank balance of deposits	<u>\$ 1,418,705</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4. Receivables

Receivables as of June 30, 2010, are as follows:

	<u>Food Services</u>	<u>Teacher/Prin Trng/Recruit</u>	<u>Title I Fed. Stimulus</u>	<u>Other Governmental</u>	<u>Total</u>
Intergovernmental – grants	\$ 9,704	\$ 33,110	\$ 73,038	\$ 108,383	\$ 224,235
Total receivables	<u>\$ 9,704</u>	<u>\$ 33,110</u>	<u>\$ 73,038</u>	<u>\$ 108,383</u>	<u>\$ 224,235</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.

NOTE 5. Interfund Receivables, Payables, and Transfers

Net operating transfers, which were made to close out funds were as follows:

Governmental Transfers:	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ —	\$ 2,756
Nonmajor Funds:		
Technology Literacy Challenge	<u>2,756</u>	<u>—</u>
Total Governmental Transfers	<u>\$ 2,756</u>	<u>\$ 2,756</u>

“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, 2010 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 219,306	\$ —
Teacher/Principal Training & Recruiting	—	33,110
Title I – IASA – Federal Stimulus	—	73,038
Nonmajor Funds:		
Title I – IASA	—	3,054
Entitlement IDEA-B	—	6,823
Discretionary IDEA-B	—	167
Preschool IDEA-B	—	8,859
IDEA-B “Risk Pool”	—	67
Title I 1003g Grant	—	566
Enhancing Education Thru Technology	—	25,681
Title I – School Improvement	—	25,068
Preschool IDEA-B – Federal Stimulus	—	140
Johnson O’Malley	—	6,498
SEG Federal Stimulus	—	24,451
Library GO Bonds	—	810
Pre Kindergarten Initiative	—	7,009
Libraries SB301 GO Bonds	<u>—</u>	<u>3,965</u>
Total Governmental Activities	<u>\$ 219,306</u>	<u>\$ 219,306</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows. Land is not subject to depreciation.

	Balance June 30, 2009	Additions	Deletions	Adjustments	Balance June 30, 2010
Capital Assets not being depreciated:					
Land	\$ 69,672	\$ -	\$ -	\$ -	\$ 69,672
Capital Assets being depreciated:					
Land and land improvements	\$ 1,533,255	\$ 57,632	\$ -	\$ -	\$ 1,590,887
Buildings and building improvements	13,598,211	98,560	-	-	13,696,771
Equipment & vehicles	<u>1,277,963</u>	<u>101,195</u>	-	-	<u>1,379,158</u>
Total Capital Assets being depreciated:	<u>16,409,429</u>	<u>257,387</u>	<u>-</u>	<u>-</u>	<u>16,666,816</u>
Less Accumulated Depreciation for:					
Land and land improvements	295,330	94,837	-	-	390,167
Buildings and building improvements	3,766,177	300,978	-	-	4,067,155
Equipment & vehicles	<u>834,599</u>	<u>80,167</u>	-	-	<u>914,766</u>
Total Accumulated depreciation:	<u>4,896,106</u>	<u>475,982</u>	<u>-</u>	<u>-</u>	<u>5,372,088</u>
Net Capital Assets being depreciated	<u>11,513,323</u>	<u>(218,595)</u>	<u>-</u>	<u>-</u>	<u>11,294,728</u>
Governmental activities capital assets, net:	<u>\$ 11,582,995</u>	<u>\$ (218,595)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,364,400</u>

Capital assets, net of accumulated depreciation, at June 30, 2010 appear in the Statement of Net Assets as follows:
Governmental activities \$11,364,400.

Depreciation expense for the year ended June 30, 2010 was charged to governmental activities as follows:

Instruction	\$ 369,859
Support Services - Instruction	6,412
Support Services – General Administration	1,751
Support Services – School Administration	3,160
Operation and Maintenance of Plant	20,879
Food Services	2,510
Transportation	16,308
Capital Outlay	<u>55,103</u>
	<u>\$ 475,982</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7. Long-Term Debt

During the year ended June 30, 2010, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>	Due Within <u>One Year</u>
Bonds Payable	\$ 495,000	\$ -	\$ 60,000	\$ 435,000	\$ 60,000
Compensated Absences	<u>92,158</u>	<u>74,177</u>	<u>55,318</u>	<u>111,017</u>	<u>111,017</u>
Total	<u>\$ 587,158</u>	<u>\$ 74,177</u>	<u>\$ 115,318</u>	<u>\$ 546,017</u>	<u>\$ 171,017</u>

The annual requirements to amortize the Bonds as of June 30, 2010, including interest payments are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ 60,000	\$ 15,606	\$ 75,606
2012	60,000	13,487	73,487
2013	65,000	11,216	76,216
2014	65,000	8,796	73,796
2015	70,000	6,173	76,173
2016-2020	<u>115,000</u>	<u>5,010</u>	<u>120,010</u>
Totals	<u>\$ 435,000</u>	<u>\$ 60,288</u>	<u>\$ 495,288</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, 2010, compensated absences increased \$18,859 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, 2010, 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, 2010

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, 2010:

Nonmajor Funds:	
Library GO Bonds	810
Libraries SB301 GO Bonds	<u>3,965</u>
Total	<u>\$ 4,775</u>

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

C. Excess of expenditures over appropriations. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2010.

NOTE 10. Pension Plan – Educational Retirement Board

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

Funding Policy. Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. Magdalena Municipal Schools was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and Magdalena Municipal School’s are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Magdalena Municipal School’s contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$452,751, \$441,694, and \$391,868 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, 2010

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 premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

(1)The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

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

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

Magdalena Municipal School’s contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$52,452, \$49,360, and \$49,458, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12. Contingent Liabilities

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

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

NOTE 13. 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, 2010, the CREC passed through \$109,853 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. Subsequent Accounting Standard Pronouncements

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statement periods beginning after June 15, 2010. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

NONMAJOR GOVERNMENTAL FUNDS

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 53,835	\$ 25,117	\$ 61,217	\$ 140,169
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	108,383	-	-	108,383
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
	<u>162,218</u>	<u>25,117</u>	<u>61,217</u>	<u>248,552</u>
<i>Total assets</i>				
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	2,273	-	2,273
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	113,158	-	-	113,158
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	21,099	-	-	21,099
	<u>134,257</u>	<u>2,273</u>	<u>-</u>	<u>136,530</u>
<i>Total liabilities</i>				
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	61,217	61,217
Reserved for capital projects	-	22,844	-	22,844
Unreserved:				
Designated for subsequent year's expenditures	17,804	-	-	17,804
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	10,157	-	-	10,157
	<u>27,961</u>	<u>22,844</u>	<u>61,217</u>	<u>112,022</u>
<i>Total fund balance</i>				
<i>Total liabilities and fund balance</i>	<u>\$ 162,218</u>	<u>\$ 25,117</u>	<u>\$ 61,217</u>	<u>\$ 248,552</u>

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

(This page intentionally left blank.)

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, 2010

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 34,663	\$ 65,547	\$ 100,210
State grants	187,384	160,337	-	347,721
Federal grants	1,805,896	-	-	1,805,896
Miscellaneous	18,111	104,880	-	122,991
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,011,391</u>	<u>299,880</u>	<u>65,547</u>	<u>2,376,818</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,461,504	-	-	1,461,504
Support Services				
Students	98,776	-	-	98,776
Instruction	60,254	-	-	60,254
General Administration	90,787	427	680	91,894
School Administration	102,313	-	-	102,313
Central Services	15,840	-	-	15,840
Operation & Maintenance of Plant	199,881	-	-	199,881
Student Transportation	31,464	-	-	31,464
Other Support Services	-	-	-	-
Food Services Operations	11,136	-	-	11,136
Community Service	16,061	-	-	16,061
Capital outlay	-	265,528	-	265,528
Debt service				
Principal	-	-	60,000	60,000
Interest	-	-	17,665	17,665
<i>Total expenditures</i>	<u>2,088,016</u>	<u>265,955</u>	<u>78,345</u>	<u>2,432,316</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(76,625)</u>	<u>33,925</u>	<u>(12,798)</u>	<u>(55,498)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	2,756	-	-	2,756
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,756</u>	<u>-</u>	<u>-</u>	<u>2,756</u>
<i>Net changes in fund balances</i>	<u>(73,869)</u>	<u>33,925</u>	<u>(12,798)</u>	<u>(52,742)</u>
<i>Fund balances - beginning of year</i>	<u>101,830</u>	<u>(11,081)</u>	<u>74,015</u>	<u>164,764</u>
<i>Fund balances - end of year</i>	<u>\$ 27,961</u>	<u>\$ 22,844</u>	<u>\$ 61,217</u>	<u>\$ 112,022</u>

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

(This page intentionally left blank.)

SPECIAL REVENUE FUNDS

(This page intentionally left blank.)

SPECIAL REVENUE FUNDS

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:

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

Title I (24101 – IASA, 24124 – 1003g Grant, and 24162 – School Improvement) – 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.

Entitlement IDEA-B (24106 – Entitlement IDEA-B, 24206 – Entitlement IDEA-B – Federal Stimulus, and 24120 – “Risk Pool”) – 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) – Preschool IDEA-B – Federal Stimulus (24209) – 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.

Title II-D Enhancing Education thru Technology Competitive (24149) – To account for federal resources used to strengthen the skills of teachers in the field of technology. (P.L. 103-382)

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.

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.

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 25147 – Indian Education) – 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 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.

State Equalization Guarantee – Federal Stimulus (25250) – Funding for the support of public elementary, secondary, post-secondary and, as applicable, for early childhood programs and services.

Dual Credit Instructional Materials (27103) – A onetime appropriation for school year 2009-2010 for dual credit materials for fall and spring semesters.

Library GO Bonds 2009-2010 (27105) – To acquire library books, equipment, and library resources for public school and state-supported school libraries statewide

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.

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.

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.

Breakfast for Elementary Students (27155) – The 2005 Legislative General Appropriations Act allocated 475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

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.

SPECIAL REVENUE FUNDS – (Continued)

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.

Rural Revitalization (27503) To account for a state grant in conjunction with NMSU to teach about native plants.

2008 Library Book Fund (27549) – The purpose of this fund is to allow each library to acquire library books and library resources to support the library program.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106	Discretionary IDEA-B 24107
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 10,492	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	3,054	6,823	167
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>10,492</u>	<u>3,054</u>	<u>6,823</u>	<u>167</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	3,054	6,823	167
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>3,054</u>	<u>6,823</u>	<u>167</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	8,500	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	1,992	-	-	-
<i>Total fund balance</i>	<u>10,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 10,492</u>	<u>\$ 3,054</u>	<u>\$ 6,823</u>	<u>\$ 167</u>

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

Preschool IDEA-B 24109	IDEA-B "Risk Pool" 24120	Title I 1003g Grant 24124	Technology Literacy Challenge 24133	Enhancing Education Thru Technology 24149
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
8,859	67	566	-	25,681
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,859</u>	<u>67</u>	<u>566</u>	<u>-</u>	<u>25,681</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,859	67	566	-	25,681
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,859</u>	<u>67</u>	<u>566</u>	<u>-</u>	<u>25,681</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>8,859</u>	<u>67</u>	<u>566</u>	<u>-</u>	<u>25,681</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, 2010

	Title V Part A Innovative Ed Pro Strategies 24150	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Entitlement IDEA-B Federal Stimulus 24206
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 618	\$ -	\$ 102
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	25,068	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>618</u>	<u>25,068</u>	<u>102</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	25,068	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	618	-	102
<i>Total liabilities</i>	<u>-</u>	<u>618</u>	<u>25,068</u>	<u>102</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	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ 25,068</u>	<u>\$ 102</u>

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

Preschool IDEA-B Federal Stimulus 24209	Johnson O'Malley 25131	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3 / 21 Years 25153
\$ -	\$ -	\$ 5,337	\$ 4,074	\$ 8,780
-	-	-	-	-
140	6,498	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>140</u>	<u>6,498</u>	<u>5,337</u>	<u>4,074</u>	<u>8,780</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
140	6,498	-	-	-
-	-	-	-	-
<u>140</u>	<u>6,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,230	4,074	-
-	-	-	-	-
-	-	107	-	8,780
<u>-</u>	<u>-</u>	<u>5,337</u>	<u>4,074</u>	<u>8,780</u>
<u>\$ 140</u>	<u>\$ 6,498</u>	<u>\$ 5,337</u>	<u>\$ 4,074</u>	<u>\$ 8,780</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, 2010

	Indian Ed Formula Grant 25184	Special Projects Demonstration USDE 25194	SEG Federal Stimulus 25250	Dual Credit Instructional Materials 27103
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 2,721	\$ 17,658	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	24,451	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>2,721</u>	<u>17,658</u>	<u>24,451</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	24,451	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	2,721	17,658	-	-
<i>Total liabilities</i>	<u>2,721</u>	<u>17,658</u>	<u>24,451</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	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 2,721</u>	<u>\$ 17,658</u>	<u>\$ 24,451</u>	<u>\$ -</u>

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

Library GO Bonds 27105	Technology for Education PED 27117	Pre K Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155
\$ -	\$ 3,162	\$ -	\$ 197	\$ -
-	-	-	-	-
-	-	7,009	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>3,162</u>	<u>7,009</u>	<u>197</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
810	-	7,009	-	-
-	-	-	-	-
-	-	-	-	-
<u>810</u>	<u>-</u>	<u>7,009</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(810)	3,162	-	197	-
<u>(810)</u>	<u>3,162</u>	<u>-</u>	<u>197</u>	<u>-</u>
\$ -	\$ 3,162	\$ 7,009	\$ 197	\$ -

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, 2010

	Kindergarten Three Plus 27166	After School Enrichment Program 27168	Libraries SB301 GO Bonds 27170	Rural Revitalization 27503
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 393	\$ 301	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>393</u>	<u>301</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	3,965	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>3,965</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	393	301	(3,965)	-
<i>Total fund balance</i>	<u>393</u>	<u>301</u>	<u>(3,965)</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 393</u>	<u>\$ 301</u>	<u>\$ -</u>	<u>\$ -</u>

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

2008 Library Book fund 27549	Total
\$ -	\$ 53,835
-	-
-	108,383
-	-
-	-
-	-
<u>-</u>	<u>162,218</u>
-	-
-	-
-	-
-	113,158
-	-
-	21,099
<u>-</u>	<u>134,257</u>
-	-
-	-
-	-
-	17,804
-	-
<u>-</u>	<u>10,157</u>
-	27,961
<u>\$ -</u>	<u>\$ 162,218</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, 2010

	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106	Discretionary IDEA-B 24107
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	486,898	109,853	-
Miscellaneous	16,136	1,907	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>16,136</u>	<u>488,805</u>	<u>109,853</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	13,962	421,794	68,774	-
Support Services				
Students	-	-	41,079	-
Instruction	-	-	-	-
General Administration	-	12,450	-	-
School Administration	-	46,180	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	8,381	-	-
Capital outlay	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,962</u>	<u>488,805</u>	<u>109,853</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2,174</u>	<u>-</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>2,174</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>8,318</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 10,492</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, 2010

	Title V Part A Innovative Ed Pro Strategies 24150	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Entitlement IDEA-B Federal Stimulus 24206
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	160	6,425	80,000	47,813
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>160</u>	<u>6,425</u>	<u>80,000</u>	<u>47,813</u>
<i>Expenditures:</i>				
Current:				
Instruction	160	6,276	80,000	45,144
Support Services				
Students	-	-	-	2,669
Instruction	-	-	-	-
General Administration	-	149	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>160</u>	<u>6,425</u>	<u>80,000</u>	<u>47,813</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</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>-</u>	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>\$ -</u>

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

Preschool IDEA-B Federal Stimulus 24209	Johnson O'Malley 25131	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3 / 21 Years 25153
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
140	13,442	36,900	132,370	33,664
-	-	-	200	-
-	-	-	-	-
<u>140</u>	<u>13,442</u>	<u>36,900</u>	<u>132,570</u>	<u>33,664</u>
140	9,906	44,985	105,276	-
-	-	3,726	5,712	34,848
-	-	-	49,426	-
-	348	1,264	22,682	903
-	-	34	2,246	-
-	-	-	-	-
-	-	-	-	-
-	-	-	6,264	-
-	-	-	-	-
-	-	-	4,119	-
-	3,188	-	4,492	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>140</u>	<u>13,442</u>	<u>50,009</u>	<u>200,217</u>	<u>35,751</u>
-	-	(13,109)	(67,647)	(2,087)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(13,109)	(67,647)	(2,087)
-	-	18,446	71,721	10,867
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,337</u>	<u>\$ 4,074</u>	<u>\$ 8,780</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, 2010

	Indian Ed Formula Grant 25184	Special Projects Demonstration USDE 25194	SEG Federal Stimulus 25250	Dual Credit Instructional Materials 27103
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	600
Federal grants	44,014	269,992	419,472	-
Miscellaneous	-	-	(132)	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>44,014</u>	<u>269,992</u>	<u>419,340</u>	<u>600</u>
<i>Expenditures:</i>				
Current:				
Instruction	42,873	215,744	141,951	600
Support Services				
Students	-	-	10,742	-
Instruction	-	-	4,645	-
General Administration	1,141	6,994	42,062	-
School Administration	-	45,138	4,219	-
Central Services	-	-	15,840	-
Operation & Maintenance of Plant	-	-	199,881	-
Student Transportation	-	2,116	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>44,014</u>	<u>269,992</u>	<u>419,340</u>	<u>600</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</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>-</u>	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>\$ -</u>

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

Library GO Bonds 27105	Technology for Education PED 27117	Pre K Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155
\$ -	\$ -	\$ -	\$ -	\$ -
-	3,021	81,840	4,271	7,017
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,021	81,840	4,271	7,017
-	3,412	58,020	4,271	-
-	-	-	-	-
810	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	23,084	-	-
-	-	-	-	-
-	-	-	-	7,017
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
810	3,412	81,104	4,271	7,017
(810)	(391)	736	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(810)	(391)	736	-	-
-	3,553	(736)	197	-
\$ (810)	\$ 3,162	\$ -	\$ 197	\$ -

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, 2010

	Kindergarten Three Plus 27166	After School Enrichment Program 27168	Libraries SB301 GO Bonds 27170	Rural Revitalization 27503
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	80,635	-	-	10,000
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>80,635</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<i>Expenditures:</i>				
Current:				
Instruction	67,997	-	-	10,000
Support Services				
Students	-	-	-	-
Instruction	-	-	3,965	-
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	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>67,997</u>	<u>-</u>	<u>3,965</u>	<u>10,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>12,638</u>	<u>-</u>	<u>(3,965)</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>12,638</u>	<u>-</u>	<u>(3,965)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>(12,245)</u>	<u>301</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 393</u>	<u>\$ 301</u>	<u>\$ (3,965)</u>	<u>\$ -</u>

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

2008	
Library Book	
Fund	Total
27549	
\$ -	\$ -
-	187,384
-	1,805,896
-	18,111
-	-
-	2,011,391
-	1,461,504
-	98,776
1,408	60,254
-	90,787
-	102,313
-	15,840
-	199,881
-	31,464
-	-
-	11,136
-	16,061
-	-
-	-
-	-
1,408	2,088,016
(1,408)	(76,625)
-	2,756
-	-
-	2,756
(1,408)	(73,869)
1,408	101,830
\$ -	\$ 27,961

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

(This page intentionally left blank.)

STATE OF NEW MEXICO

Statement B-3

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, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	19,600	19,600	16,136	(3,464)
Interest	-	-	-	-
<i>Total revenues</i>	<u>19,600</u>	<u>19,600</u>	<u>16,136</u>	<u>(3,464)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	28,419	28,419	13,962	14,457
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>28,419</u>	<u>28,419</u>	<u>13,962</u>	<u>14,457</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(8,819)</u>	<u>(8,819)</u>	<u>2,174</u>	<u>10,993</u>
<i>Other financing sources (uses):</i>				
Designated cash	8,819	8,819	-	(8,819)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>8,819</u>	<u>8,819</u>	<u>-</u>	<u>(8,819)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,174</u>	<u>2,174</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,318</u>	<u>8,318</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,492</u>	<u>\$ 10,492</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>\$ 2,174</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	508,363	587,256	599,510	12,254
Miscellaneous	-	-	1,907	1,907
Interest	-	-	-	-
<i>Total revenues</i>	<u>508,363</u>	<u>587,256</u>	<u>601,417</u>	<u>14,161</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	454,422	512,661	421,794	90,867
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	13,172	15,217	12,450	2,767
School Administration	30,685	49,294	49,163	131
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	10,084	10,084	8,381	1,703
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>508,363</u>	<u>587,256</u>	<u>491,788</u>	<u>95,468</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>109,629</u>	<u>109,629</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>109,629</u>	<u>109,629</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(112,683)</u>	<u>(112,683)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,054)</u>	<u>\$ (3,054)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(112,612)	
Adjustments to expenditures			2,983	
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-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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	159,853	123,318	(36,535)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>159,853</u>	<u>123,318</u>	<u>(36,535)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	110,608	71,133	39,475
Support Services				
Students	-	49,245	41,079	8,166
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>159,853</u>	<u>112,212</u>	<u>47,641</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>11,106</u>	<u>11,106</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>11,106</u>	<u>11,106</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,929)</u>	<u>(17,929)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,823)</u>	<u>\$ (6,823)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(13,465)	
Adjustments to expenditures			2,359	
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-6

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, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	4,545	4,545
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,545</u>	<u>4,545</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>4,545</u>	<u>4,545</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>4,545</u>	<u>4,545</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,712)</u>	<u>(4,712)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (167)</u>	<u>\$ (167)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,545)	
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-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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	19,860	10,903	(8,957)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>19,860</u>	<u>10,903</u>	<u>(8,957)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	19,860	18,237	1,623
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>19,860</u>	<u>18,237</u>	<u>1,623</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,334)</u>	<u>(7,334)</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>(7,334)</u>	<u>(7,334)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,525)</u>	<u>(1,525)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,859)</u>	<u>\$ (8,859)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,334	
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-8

MAGDALENA MUNICIPAL SCHOOLS

IDEA-B "RISK POOL" SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,470	1,403	(67)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,470</u>	<u>1,403</u>	<u>(67)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,470	1,470	-
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>1,470</u>	<u>1,470</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(67)</u>	<u>(67)</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>(67)</u>	<u>(67)</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>\$ (67)</u>	<u>\$ (67)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			67	
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-9

MAGDALENA MUNICIPAL SCHOOLS

TITLE I 1003G 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	26,256	26,256
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>26,256</u>	<u>26,256</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>26,256</u>	<u>26,256</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>26,256</u>	<u>26,256</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(26,822)</u>	<u>(26,822)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (566)</u>	<u>\$ (566)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(26,256)	
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

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, 2010

	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	-	-	2,756	2,756
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>2,756</u>	<u>2,756</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,756</u>	<u>2,756</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,756)</u>	<u>(2,756)</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			(2,756)	
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

ENHANCING EDUCATION THRU TECHNOLOGY 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	107,802	131,888	24,086
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>107,802</u>	<u>131,888</u>	<u>24,086</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	100,512	100,512	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	2,794	2,794	-
School Administration	-	4,496	4,496	-
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>107,802</u>	<u>107,802</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>24,086</u>	<u>24,086</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>24,086</u>	<u>24,086</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(49,767)</u>	<u>(49,767)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,681)</u>	<u>\$ (25,681)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(24,086)	
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

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	160	160	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>160</u>	<u>160</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	160	160	-
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>160</u>	<u>160</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>-</u>	<u>-</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>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	5,586	6,425	9,874	3,449
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,586</u>	<u>6,425</u>	<u>9,874</u>	<u>3,449</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,441	6,276	6,276	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	145	149	149	-
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>5,586</u>	<u>6,425</u>	<u>6,425</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,449</u>	<u>3,449</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>3,449</u>	<u>3,449</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,831)</u>	<u>(2,831)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ 618</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(3,449)	
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

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	80,000	60,006	(19,994)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>80,000</u>	<u>60,006</u>	<u>(19,994)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	80,000	80,000	-
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>80,000</u>	<u>80,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,994)</u>	<u>(19,994)</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>(19,994)</u>	<u>(19,994)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,074)</u>	<u>(5,074)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,068)</u>	<u>\$ (25,068)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			19,994	
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

ENTITLEMENT IDEA-B FEDERAL STIMULUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	151,515	48,427	(103,088)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>151,515</u>	<u>48,427</u>	<u>(103,088)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	131,515	45,144	86,371
Support Services				
Students	-	20,000	2,669	17,331
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>151,515</u>	<u>47,813</u>	<u>103,702</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>614</u>	<u>614</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>614</u>	<u>614</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(512)</u>	<u>(512)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 102</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(614)	
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-16

MAGDALENA MUNICIPAL SCHOOLS

PRESCHOOL IDEA-B FEDERAL STIMULUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	5,712	-	(5,712)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,712</u>	<u>-</u>	<u>(5,712)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,712	140	5,572
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>5,712</u>	<u>140</u>	<u>5,572</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(140)</u>	<u>(140)</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>(140)</u>	<u>(140)</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>\$ (140)</u>	<u>\$ (140)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			140	
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-17

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	13,442	13,442	12,403	(1,039)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>13,442</u>	<u>13,442</u>	<u>12,403</u>	<u>(1,039)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	9,906	9,906	9,906	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	348	348	348	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	3,188	3,188	3,188	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,442</u>	<u>13,442</u>	<u>13,442</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,039)</u>	<u>(1,039)</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>(1,039)</u>	<u>(1,039)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,459)</u>	<u>(5,459)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,498)</u>	<u>\$ (6,498)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,039	
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-18

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	33,300	55,346	36,900	(18,446)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>33,300</u>	<u>55,346</u>	<u>36,900</u>	<u>(18,446)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	28,709	50,150	44,985	5,165
Support Services				
Students	3,728	3,728	3,726	2
Instruction	-	-	-	-
General Administration	863	1,434	1,264	170
School Administration	-	34	34	-
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>33,300</u>	<u>55,346</u>	<u>50,009</u>	<u>5,337</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,109)</u>	<u>(13,109)</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>(13,109)</u>	<u>(13,109)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>18,446</u>	<u>18,446</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,337</u>	<u>\$ 5,337</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>\$ (13,109)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	146,716	210,060	132,370	(77,690)
Miscellaneous	-	-	200	200
Interest	-	-	-	-
<i>Total revenues</i>	<u>146,716</u>	<u>210,060</u>	<u>132,570</u>	<u>(77,490)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	91,181	112,227	110,930	1,297
Support Services				
Students	6,891	6,891	5,712	1,179
Instruction	30,000	49,884	49,426	458
General Administration	18,644	26,432	23,257	3,175
School Administration	-	2,131	2,246	(115)
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	2,975	6,264	(3,289)
Other Support Services	-	-	-	-
Food Services Operations	-	4,119	4,119	-
Community Services	-	5,401	4,492	909
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>146,716</u>	<u>210,060</u>	<u>206,446</u>	<u>3,614</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(73,876)</u>	<u>(73,876)</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>(73,876)</u>	<u>(73,876)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>77,950</u>	<u>77,950</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,074</u>	<u>\$ 4,074</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			6,229	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (67,647)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	42,666	38,964	(3,702)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>42,666</u>	<u>38,964</u>	<u>(3,702)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	41,560	34,848	6,712
Instruction	-	-	-	-
General Administration	-	1,106	903	203
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>42,666</u>	<u>35,751</u>	<u>6,915</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,213</u>	<u>3,213</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>3,213</u>	<u>3,213</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,567</u>	<u>5,567</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,780</u>	<u>\$ 8,780</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(5,300)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,087)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	44,014	44,014	53,647	9,633
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>44,014</u>	<u>44,014</u>	<u>53,647</u>	<u>9,633</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	42,873	42,873	42,873	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,141	1,141	1,141	-
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>44,014</u>	<u>44,014</u>	<u>44,014</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,633</u>	<u>9,633</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>9,633</u>	<u>9,633</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,912)</u>	<u>(6,912)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,721</u>	<u>\$ 2,721</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(9,633)	
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

SPECIAL PROJECTS DEMONSTRATION USDE 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	269,992	340,965	70,973
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>269,992</u>	<u>340,965</u>	<u>70,973</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	215,744	215,744	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	6,996	6,994	2
School Administration	-	47,252	45,138	2,114
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	2,116	(2,116)
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>269,992</u>	<u>269,992</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>70,973</u>	<u>70,973</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>70,973</u>	<u>70,973</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(53,315)</u>	<u>(53,315)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,658</u>	<u>\$ 17,658</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(70,973)	
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

SEG FEDERAL STIMULUS 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	315,630	419,537	395,021	(24,516)
Miscellaneous	-	-	(132)	(132)
Interest	-	-	-	-
<i>Total revenues</i>	<u>315,630</u>	<u>419,537</u>	<u>394,889</u>	<u>(24,648)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	131,930	142,120	141,951	169
Support Services				
Students	16,000	24,000	10,742	13,258
Instruction	-	-	4,645	(4,645)
General Administration	45,950	53,173	42,062	11,111
School Administration	11,500	11,850	4,219	7,631
Central Services	5,500	12,000	15,840	(3,840)
Operation & Maintenance of Plant	104,750	176,394	199,881	(23,487)
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>315,630</u>	<u>419,537</u>	<u>419,340</u>	<u>197</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(24,451)</u>	<u>(24,451)</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>(24,451)</u>	<u>(24,451)</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>\$ (24,451)</u>	<u>\$ (24,451)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			24,451	
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-24

MAGDALENA MUNICIPAL SCHOOLS

DUAL CREDIT INSTRUCTIONAL MATERIALS 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, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	600	600	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	600	600	-
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>600</u>	<u>600</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>-</u>	<u>-</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>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

MAGDALENA MUNICIPAL SCHOOLS

LIBRARY 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	9,660	-	(9,660)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,660</u>	<u>-</u>	<u>(9,660)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	9,660	810	8,850
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>9,660</u>	<u>810</u>	<u>8,850</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(810)</u>	<u>(810)</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>(810)</u>	<u>(810)</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>\$ (810)</u>	<u>\$ (810)</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>\$ (810)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

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, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	3,412	3,021	(391)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,412</u>	<u>3,021</u>	<u>(391)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	3,412	3,412	-
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>3,412</u>	<u>3,412</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(391)</u>	<u>(391)</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>(391)</u>	<u>(391)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,553</u>	<u>3,553</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,162</u>	<u>\$ 3,162</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>\$ (391)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	81,104	81,104	95,787	14,683
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>81,104</u>	<u>81,104</u>	<u>95,787</u>	<u>14,683</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	58,020	58,020	58,020	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	23,084	23,084	23,084	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>81,104</u>	<u>81,104</u>	<u>81,104</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>14,683</u>	<u>14,683</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>14,683</u>	<u>14,683</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(21,692)</u>	<u>(21,692)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,009)</u>	<u>\$ (7,009)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(13,947)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 736</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	4,271	4,271	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,271</u>	<u>4,271</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	4,271	4,271	-
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>4,271</u>	<u>4,271</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>197</u>	<u>197</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ 197</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

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, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	7,017	7,017	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,017</u>	<u>7,017</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	-	7,017	7,017	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,017</u>	<u>7,017</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>-</u>	<u>-</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>\$ -</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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	67,997	80,635	12,638
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>67,997</u>	<u>80,635</u>	<u>12,638</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	67,997	67,997	-
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>67,997</u>	<u>67,997</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,638</u>	<u>12,638</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>12,638</u>	<u>12,638</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,245)</u>	<u>(12,245)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ 393</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>\$ 12,638</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, 2010

	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>301</u>	<u>301</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301</u>	<u>\$ 301</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-32

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, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	3,965	-	(3,965)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,965</u>	<u>-</u>	<u>(3,965)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	3,965	3,965	-
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>3,965</u>	<u>3,965</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,965)</u>	<u>(3,965)</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>(3,965)</u>	<u>(3,965)</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>\$ (3,965)</u>	<u>\$ (3,965)</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>\$ (3,965)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

MAGDALENA MUNICIPAL SCHOOLS

RURAL REVITALIZATION 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	10,000	10,000	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	10,000	10,000	-
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>10,000</u>	<u>10,000</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>-</u>	<u>-</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>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

MAGDALENA MUNICIPAL SCHOOLS

2008 LIBRARY BOOK 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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,408	1,408	-	(1,408)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,408</u>	<u>1,408</u>	<u>-</u>	<u>(1,408)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	1,408	1,408	1,408	-
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>1,408</u>	<u>1,408</u>	<u>1,408</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,408)</u>	<u>(1,408)</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>(1,408)</u>	<u>(1,408)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,408</u>	<u>1,408</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>\$ (1,408)</u>	

The accompanying notes are an integral part of these financial statements

CAPITAL PROJECTS FUNDS

(This page intentionally left blank.)

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.

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).

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

Statement C-1

	Bond Building 31100	Special Capital Outlay - Local 31300	Capital Improvements SB-9 31700	Total
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 770	\$ 16,001	\$ 8,346	\$ 25,117
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
	770	16,001	8,346	25,117
<i>Total assets</i>	770	16,001	8,346	25,117
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	2,273	2,273
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
	-	-	2,273	2,273
<i>Total liabilities</i>	-	-	2,273	2,273
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	770	16,001	6,073	22,844
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
	770	16,001	6,073	22,844
<i>Total fund balance</i>	770	16,001	6,073	22,844
<i>Total liabilities and fund balance</i>	\$ 770	\$ 16,001	\$ 8,346	\$ 25,117

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

(This page intentionally left blank.)

STATE OF NEW MEXICO

Statement C-2

MAGDALENA MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDING JUNE 30, 2010

	Bond	Special Capital	Capital	Total
	Building	Outlay - Local	Improvements	
	31100	31300	SB-9 31700	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 34,663	\$ 34,663
State grants	-	-	160,337	160,337
Federal grants	-	-	-	-
Miscellaneous	-	104,880	-	104,880
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>104,880</u>	<u>195,000</u>	<u>299,880</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	427	427
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	3,741	124,177	137,610	265,528
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,741</u>	<u>124,177</u>	<u>138,037</u>	<u>265,955</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,741)</u>	<u>(19,297)</u>	<u>56,963</u>	<u>33,925</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>(3,741)</u>	<u>(19,297)</u>	<u>56,963</u>	<u>33,925</u>
<i>Fund balances - beginning of year</i>	<u>4,511</u>	<u>35,298</u>	<u>(50,890)</u>	<u>(11,081)</u>
<i>Fund balances - end of year</i>	<u>\$ 770</u>	<u>\$ 16,001</u>	<u>\$ 6,073</u>	<u>\$ 22,844</u>

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

(This page intentionally left blank.)

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, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<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	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	4,511	3,741	770
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	4,511	3,741	770
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(4,511)	(3,741)	770
<i>Other financing sources (uses):</i>				
Designated cash	-	4,511	-	(4,511)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	4,511	-	(4,511)
<i>Net changes in fund balances</i>	-	-	(3,741)	(3,741)
<i>Fund balances - beginning of year</i>	-	-	4,511	4,511
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 770	\$ 770
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (3,741)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-4

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	119,800	-	(119,800)
Federal grants	-	-	-	-
Miscellaneous	-	-	104,880	104,880
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>119,800</u>	<u>104,880</u>	<u>(14,920)</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	-	155,098	124,177	30,921
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>155,098</u>	<u>124,177</u>	<u>30,921</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(35,298)</u>	<u>(19,297)</u>	<u>16,001</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	35,298	-	(35,298)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>35,298</u>	<u>-</u>	<u>(35,298)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(19,297)</u>	<u>(19,297)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>35,298</u>	<u>35,298</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,001</u>	<u>\$ 16,001</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>\$ (19,297)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 43,257	\$ 43,257	\$ 34,663	\$ (8,594)
State grants	-	103,355	160,337	56,982
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>43,257</u>	<u>146,612</u>	<u>195,000</u>	<u>48,388</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	433	433	427	6
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	76,824	180,179	143,035	37,144
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>77,257</u>	<u>180,612</u>	<u>143,462</u>	<u>37,150</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(34,000)</u>	<u>(34,000)</u>	<u>51,538</u>	<u>85,538</u>
<i>Other financing sources (uses):</i>				
Designated cash	34,000	34,000	-	(34,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>(34,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>51,538</u>	<u>51,538</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(43,192)</u>	<u>(43,192)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,346</u>	<u>\$ 8,346</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			5,425	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 56,963</u>	

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank.)

DEBT SERVICE FUNDS

(This page intentionally left blank.)

DEBT SERVICE FUNDS

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.

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2010

Statement D-1

	Debt Service 41000	Total
ASSETS		
<i>Current Assets</i>		
Cash and temporary investments	\$ 61,217	\$ 61,217
Accounts receivable		
Taxes	-	-
Due from other governments	-	-
Interfund receivables	-	-
Other	-	-
Inventory	-	-
	61,217	61,217
<i>Total assets</i>	61,217	61,217
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	-	-
	-	-
<i>Total liabilities</i>	-	-
<i>Fund balances</i>		
Fund Balance:		
Reserved:		
Reserved for inventory	-	-
Reserved for debt service	61,217	61,217
Reserved for capital projects	-	-
Unreserved:		
Designated for subsequent year's expenditures	-	-
Undesignated, reported in		
General Fund	-	-
Special Revenue Funds	-	-
	61,217	61,217
<i>Total fund balance</i>	61,217	61,217
<i>Total liabilities and fund balance</i>	\$ 61,217	\$ 61,217

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

(This page intentionally left blank.)

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, 2010

	Debt Service 41000	Total
<i>Revenues:</i>	<u>41000</u>	<u>Total</u>
Property taxes	\$ 65,547	\$ 65,547
State grants	-	-
Federal grants	-	-
Miscellaneous	-	-
Interest	-	-
<i>Total revenues</i>	<u>65,547</u>	<u>65,547</u>
 <i>Expenditures:</i>		
Current:		
Instruction	-	-
Support Services		
Students	-	-
Instruction	-	-
General Administration	680	680
School Administration	-	-
Central Services	-	-
Operation & Maintenance of Plant	-	-
Student Transportation	-	-
Other Support Services	-	-
Food Services Operations	-	-
Community Service	-	-
Capital outlay	-	-
Debt service - Principal	60,000	60,000
Debt service - Interest	17,665	17,665
<i>Total expenditures</i>	<u>78,345</u>	<u>78,345</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(12,798)</u>	<u>(12,798)</u>
 <i>Other financing sources (uses):</i>		
Operating transfers	-	-
Proceeds from bond issues	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>
 <i>Net changes in fund balances</i>	 <u>(12,798)</u>	 <u>(12,798)</u>
<i>Fund balances - beginning of year</i>	<u>74,015</u>	<u>74,015</u>
<i>Fund balances - end of year</i>	<u>\$ 61,217</u>	<u>\$ 61,217</u>

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

(This page intentionally left blank.)

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, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 77,664	\$ 77,664	\$ 67,984	\$ (9,680)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	77,664	77,664	67,984	(9,680)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	777	777	680	97
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	26,577	26,577	-	26,577
Principal	60,000	60,000	60,000	-
Interest	17,665	17,665	17,665	-
<i>Total expenditures</i>	105,019	105,019	78,345	26,674
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(27,355)	(27,355)	(10,361)	16,994
<i>Other financing sources (uses):</i>				
Designated cash	27,355	27,355	-	(27,355)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	27,355	27,355	-	(27,355)
<i>Net changes in fund balances</i>	-	-	(10,361)	(10,361)
<i>Fund balances - beginning of year</i>	-	-	71,578	71,578
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 61,217	\$ 61,217
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(2,437)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (12,798)	

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank.)

SUPPORTING SCHEDULES

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010

Schedule I
(Page 1 of 3)

	Balance June 30, 2009	Additions	Adjustments	Deletions	Balance June 30, 2010
Administration Miscellaneous	\$ 1,935	\$ 10,240	\$ (106)	\$ 11,550	\$ 519
Yearbook	2,642	3,470	-	2,310	3,802
Elementary Fund	738	3,613	56	4,407	-
FFA	2,451	9,277	-	7,910	3,818
Flower Fund	168	560	-	555	173
Football	696	2,073	-	2,273	496
Library	3,404	5,217	-	4,942	3,679
Science Club	338	-	-	-	338
Native American Club - HS	673	577	-	277	973
Native American Club - MS	732	211	-	374	569
Native American Club - ES	350	263	-	613	-
SPED - Mid School	377	-	-	-	377
Volleyball	504	2,186	-	1,550	1,140
Student Council - Mid School	391	-	-	-	391
Student Council - High School	-	3,623	-	2,363	1,260
Athletic Pepsi Commission Fund	2,282	2,966	-	4,733	515
Athletic Concession Fund	17,336	37,424	-	32,732	22,028
HS Boys Basketball	344	11,576	50	11,970	-
Class of 2009	215	-	-	-	215
Class of 2010	146	420	-	302	264
Class of 2011	1,869	1,166	-	1,855	1,180

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, 2010

Schedule I
(Page 2 of 3)

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Class of 2012	1,810	808	-	619	1,999
Class of 2013	246	275	-	-	521
Reading is Fundamental	109	390	-	499	-
Cheerleading	1,908	1,948	-	3,493	363
High School	1,511	950	-	838	1,623
MMS Scholarship Fund	4,533	1,864	-	3,350	3,047
HS Girls Basketball	1,322	7,283	-	4,401	4,204
Renaissance Program	3,694	5,286	-	2,087	6,893
Elementary Renaissance	115	1,960	-	1,014	1,061
Educators Scholarship	6,540	4,940	-	7,000	4,480
Art Club	124	-	-	-	124
Close-Up	964	1,600	-	2,265	299
Clint Benjamin Memorial	3,849	527	-	3,500	876
Auto Shop	6,946	39,093	5,000	33,030	18,009
Math Grant	43	-	-	-	43
TSA	1,142	1,739	-	1,739	1,142
Board of Education	2,905	2,369	-	3,000	2,274
Jay Apachito Scholarship	901	1,839	-	1,000	1,740
Eva Trujillo Scholarship	50	-	-	-	50
Insurance Benefits	-	823,198	-	675,636	147,562
Federal / State Taxes	-	54,356	-	54,356	-

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, 2010

Schedule I
(Page 3 of 3)

	Balance June 30, 2009	Additions	Adjustments	Deletions	Balance June 30, 2010
Mid / High Incentives	179	570	-	659	90
Class of 2014	265	753	-	310	708
PBS	3,350	1,757	-	3,241	1,866
Pinon League	508	-	-	508	-
Letterman's Club	349	-	-	180	169
Spanish Club	779	1,292	-	1,359	712
Class of 2015	267	330	-	-	597
Department of Health Grant	-	5,000	(5,000)	-	-
Baseball	495	1,683	-	1,437	741
Boxtops for Education	71	103	-	-	174
National Honor Society	500	-	-	181	319
Class of 2016	-	517	-	322	195
Auto Shop Scholarship	-	6,888	-	1,000	5,888
NRAO Science Donation	-	1,000	-	974	26
Track	-	1,050	-	341	709
Native Health Grant	-	808	-	-	808
Gear Up Scholarship	291,718	(47,452)	-	-	244,266
Total All Schools	<u>\$ 374,784</u>	<u>\$ 1,019,586</u>	<u>\$ -</u>	<u>\$ 899,055</u>	<u>\$ 495,315</u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2010

Schedule II

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2010	Name and Location of Safekeeper
Wells Fargo Bank	CUSIP 31407HZN9 FNMA Pool #831549 6.00%, Due 05-01-2036	\$ 279,621	Federal Reserve Bank
Wells Fargo Bank	CUSIP 31410MB33 FNMA Pool #991158 6.00%, Due 05-01-2036	400,337	Federal Reserve Bank
Wells Fargo Bank	CUSIP 31415RGM0 FNMA Pool #986804 5.50%, Due 07-01-2038	<u>382,127</u>	Federal Reserve Bank
		<u>\$ 1,062,085</u>	

The accompanying notes are and integral part of these financial statements

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2010

Schedule III

Bank Account Type	Wells Fargo Bank	Totals
Checking - Clearing Account	\$ 902,332	\$ 902,332
Checking - Activity Account	272,107	272,107
Investment Account	244,266	244,266
Total On Deposit	1,418,705	1,418,705
Reconciling Items	(199,253)	(199,253)
Reconciled Balance June 30, 2010	<u>\$ 1,219,452</u>	<u>\$ 1,219,452</u>
Plus: Petty Cash		25
Less: Fiduciary Funds Cash		<u>(495,315)</u>
Cash per Government-wide Financial Statements		<u>\$ 724,162</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2010

	Operational 11000	Teachorage 12000	Transportation 13000	Instructional Materials 14000
Cash, June 30, 2009	\$ 474,105	\$ 2,368	\$ 5,564	\$ 15,439
Add:				
2009-10 revenues	4,620,277	-	388,508	17,496
Transfers from other funds	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	5,094,382	2,368	394,072	32,935
Less:				
2009-10 expenditures	(4,401,345)	-	(388,392)	(31,457)
Transfers to other funds	(2,756)	-	-	-
Loans to other funds	(219,306)	-	-	-
Cash, June 30, 2010	<u>\$ 470,975</u>	<u>\$ 2,368</u>	<u>\$ 5,680</u>	<u>\$ 1,478</u>

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

Food Service 21000	Athletics 22000	Student Activities 23000	Gear-Up Scholarship 23000
\$ 92,640	\$ 8,318	\$ 83,066	\$ 291,718
256,824	16,136	1,067,038	(47,452)
-	-	-	-
-	-	-	-
349,464	24,454	1,150,104	244,266
(245,972)	(13,962)	(899,055)	-
-	-	-	-
-	-	-	-
<u>\$ 103,492</u>	<u>\$ 10,492</u>	<u>\$ 251,049</u>	<u>\$ 244,266</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2010

	Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 27000	Bond Building 31100
Cash, June 30, 2009	\$ (261,869)	\$ 36,277	\$ (28,478)	\$ 4,511
Add:				
2009-10 revenues	1,310,668	1,010,338	201,331	-
Transfers from other funds	2,756	-	-	-
Loans from other funds	176,573	30,949	11,784	-
Total cash available	1,228,128	1,077,564	184,637	4,511
Less:				
2009-10 expenditures	(1,227,408)	(1,038,994)	(180,584)	(3,741)
Transfers to other funds	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2010	<u>\$ 720</u>	<u>\$ 38,570</u>	<u>\$ 4,053</u>	<u>\$ 770</u>

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

Spec. Capital Outlay-Local 31300	Cap. Improv. SB 9 31700	Debt Service 41000	Total
\$ 35,298	\$ (43,192)	\$ 71,578	\$ 787,343
104,880	195,000	67,984	9,209,028
-	-	-	2,756
-	-	-	219,306
140,178	151,808	139,562	10,218,433
(124,177)	(143,462)	(78,345)	(8,776,894)
-	-	-	(2,756)
-	-	-	(219,306)
<u>\$ 16,001</u>	<u>\$ 8,346</u>	<u>\$ 61,217</u>	<u>\$ 1,219,477</u>

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

(This page intentionally left blank.)

COMPLIANCE SECTION

(This page intentionally left blank.)



Griego Professional Services, LLC

Certified Public Accountants

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

Hector 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, the aggregate remaining fund information, the budgetary comparisons of the general funds and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Magdalena Municipal School District, New Mexico, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 9, 2010. 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (FS 08-01) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

P.O. Box 37379 • Albuquerque, NM 87176-7379
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112
Phone (505) 856-2741 - Fax (505) 856-7510

(This page intentionally left blank.)

We also noted certain matters that are required to be reported pursuant to *Governmental Auditing Standards* paragraph 5.14 and 5.16 and pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding FS 09-01.

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

This report is intended solely for the information and use of management, the Board of Education, 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 9, 2010

(This page intentionally left blank.)

FEDERAL FINANCIAL ASSISTANCE

(This page intentionally left blank.)



Griego Professional Services, LLC

Certified Public Accountants

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 Magdalena Municipal School District, New Mexico's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Magdalena Municipal School's major federal programs for the year ended June 30, 2010. Magdalena Municipal School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Magdalena Municipal School District, New Mexico's management. Our responsibility is to express an opinion on Magdalena Municipal Schools 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 Schools, 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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 the 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

(This page intentionally left blank.)

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

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

This report is intended solely for the information and use of the audit committee, management, the Board of Education, 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.

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 9, 2010

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 35,751
<i>Subtotal - Passthrough State of New Mexico Department of Health</i>			<u>35,751</u>
Total U.S. Department of Health and Human Services			<u>35,751</u>
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	488,805
IDEA B - Entitlement	24106	84.027	109,853
IDEA B - Pre School	24109	84.173	18,237
IDEA-B "Risk Pool"	24120	84.027A	1,470
Enhancing Education Thru Technology	24149	84.318X	107,802
Title V Part A Innovative Ed Pro Strategies	24150	84.2980	160
Title IIA Teacher / Principal Training	24154	84.367A	79,429
Title IV Safe & Drug Free Schools	24157	84.186A	6,425
Title I-School Improvement (1)	24162	84.010	80,000
Title I - IASA Federal Stimulus (1)	24201	84.010	281,932
IDEA B - Entitlement Federal Stimulus	24206	84.027	47,813
IDEA B - Preschool Federal Stimulus	24209	84.1730	140
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>1,222,066</u>
<i>Direct U.S. Department of Education</i>			
Impact Aid	11000	84.041	538,509
Impact Aid - Special Education	25145	84.041	50,009
Impact Aid - Indian Education	25147	84.041	200,217
Indian Education Formula Grant	25184	84.060A	44,014
Special Projects Demonstration USDE	25194	84.299A	269,992
SEG-Federal Stimulus (1)	25250	84.394	419,340
<i>Subtotal - Direct U.S. Department of Education</i>			<u>1,522,081</u>
Total U.S. Department of Education			<u>2,744,147</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, 2010

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>99,461</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>99,461</u>
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program	21000	10.555	<u>243,588</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>243,588</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	<u>15,743</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>15,743</u>
Total U.S. Department of Agriculture			<u>358,792</u>
U.S. Department of Interior			
<i>Passthrough State of New Mexico Department of Education</i>			
Johnson O'Malley	25131	15.130	<u>13,442</u>
Total U.S. Department of Interior			<u>13,442</u>
Total Federal Financial Assistance			<u><u>\$ 3,152,132</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, 2010

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

During the year, the District provided \$26,343 in federal awards to subrecipients.

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, 2010 was \$15,743 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	\$ 3,152,132
Total expenditures funded by other sources	<u>4,676,235</u>
Total expenditures	<u><u>\$ 7,828,367</u></u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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? | Yes |
| 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;">84.010</td> <td style="text-align: center;">Title I</td> </tr> <tr> <td style="text-align: center;">84.010</td> <td style="text-align: center;">Title I Federal Stimulus</td> </tr> <tr> <td style="text-align: center;">84.010</td> <td style="text-align: center;">Title I School Improvement</td> </tr> <tr> <td style="text-align: center;">84.394</td> <td style="text-align: center;">SEG Federal Stimulus</td> </tr> </tbody> </table> | CFDA
Number | Federal Program | 84.010 | Title I | 84.010 | Title I Federal Stimulus | 84.010 | Title I School Improvement | 84.394 | SEG Federal Stimulus | |
| CFDA
Number | Federal Program | | | | | | | | | | |
| 84.010 | Title I | | | | | | | | | | |
| 84.010 | Title I Federal Stimulus | | | | | | | | | | |
| 84.010 | Title I School Improvement | | | | | | | | | | |
| 84.394 | SEG Federal Stimulus | | | | | | | | | | |
| 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 QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Section II – Financial Statement Findings

FS 08-01— Payroll Documentation – Repeated and Revised

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 the following:

- One out of twenty-five employees tested did not have an accurately completed I-9 on file.
- Two out of twenty-five employees tested only had one copy of identification on record
- Six out of twenty-five employees tested did not have timesheets approved by authorized personnel.

Cause: The District was unaware that the employees had incomplete files and that not all timesheets were being properly approved.

Effect: The District is not in compliance with the Immigration Reform and Control Act of 1986 or with New Mexico State Statutes. The District could be subject to penalties or possibly legal action. Not having correct supporting documentation is a serious failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract.

Auditors' Recommendations: We recommend the District obtain all required information and retain the necessary documents in the employees' personnel files as well as review all supporting documentation for payroll processed. In the future, the District should make periodic checks to ensure all required information is being maintained.

Management's Response: The District will ensure that all I-9 and other pertinent employment documentation are received by an employee before the employment start date. The District will also make periodic checks of files to ensure that all documentation is in each employee's file. The District will also ensure that all necessary signatures are on timesheets before payroll is processed.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

FS 09-01 – Cash Disbursements – Repeated and Revised

Criteria: According to NMSA 1978 Section 6-6-3, the District is expected to conform to the rules and regulations that they have adopted relating to internal controls.

Condition: During our test work of disbursements, GPS noted that one out of twenty-five disbursement transactions tested had purchase orders issued after the purchases were made. The purchase amount totaled \$114.00.

Cause: Policies and Procedures that the District has adopted for cash disbursements are not being enforced.

Effect: The lack of enforcing the District's policies and procedures may result in the non-authorized purchase of goods and/or services.

Auditor's Recommendation: The District must enforce policies and procedures that are set in place for the purchase of goods and/or services.

Management's Response: All staff members will be reminded that initiating a purchase prior to getting approval and a purchase order is not acceptable, and the District will ensure that purchase orders are issued prior to purchases being made.

Section III – Federal Award Findings

None.

Section IV – Prior Year Audit Findings

FS 08-01 – Payroll Documentation – *Repeated and Revised*

FS 08-04 – Budgetary Conditions – *Resolved*

FS 09-01 – Cash Disbursements (Specifically Credit Cards) – *Repeated and Revised*

FS 09-02 – Stale Dated Checks – *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 9, 2010. The following individuals were in attendance.

Magdalena Municipal School District
Mike Chambers, Superintendent
R. Dorothy Zamora, Business Manager
Keri James, Federal & State Program Coordinator
Kitty Martin, Elementary School Principal
Barbara Gordon, Board President
Randell Major, Board Vice President
Regina Lane, Middle School and High School Principal
Dale Armstrong, Audit Committee Member
Tom Justice, Audit Committee Member

Griego Professional Services, LLC
Monica Yapple, CPA