

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2011



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INTRODUCTORY SECTION

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ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		i
Official Roster		ii
FINANCIAL SECTION		
Independent Auditors' Report		iii
Management's Discussion and Analysis		v
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	1
Statement of Activities	A-2	3
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	5
Reconciliation of the Balance Sheet to the Statement of Net Assets		7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	11
Teacherage Fund	C-2	12
Transportation Fund	C-3	13
Instructional Materials Fund	C-4	14
Title I School Improvement Special Revenue Fund	C-5	15
Education Jobs Fund Federal Stimulus Special Revenue Fund	C-6	16
Statement of Fiduciary Assets and Liabilities – Agency Funds	D-1	17
Notes to the Financial Statements		18
	<u>Statement/ Schedule</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	40
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	51
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Food Service Special Revenue Fund	B-3	58
Athletics Special Revenue Fund	B-4	59
Title I IASA Special Revenue Fund	B-5	60
Entitlement IDEA-B Special Revenue Fund	B-6	61
Discretionary IDEA-B Special Revenue Fund	B-7	62
Preschool IDEA-B Special Revenue Fund	B-8	63
IDEA-B Early Intervention Services Special Revenue Fund	B-9	64
IDEA-B “Risk Pool” Special Revenue Fund	B-10	65
Title I 1003g Grant Special Revenue Fund	B-11	66
Enhancing Education Thru Technology Special Revenue Fund	B-12	67

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011
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)		
Teacher / Principal Training & Recruiting Special Revenue Fund	B-13	68
Safe & Drug Free Schools & Community Special Revenue Fund	B-14	69
Food Service Equipment Assistance Special Revenue Fund	B-15	70
Title I IASA Federal Stimulus Special Revenue Fund	B-16	71
Entitlement IDEA-B Federal Stimulus Special Revenue Fund	B-17	72
Preschool IDEA-B Federal Stimulus Special Revenue Fund	B-18	73
Johnson O’Malley Special Revenue Fund	B-19	74
Impact Aid Special Education Special Revenue Fund	B-20	75
Impact Aid Indian Education Special Revenue Fund	B-21	76
Title XIX Medicaid 3 / 21 Years Special Revenue Fund	B-22	77
Indian Ed Formula Grant Special Revenue Fund	B-23	78
Special Projects Demonstration USDE Special Revenue Fund	B-24	79
SEG Federal Stimulus Special Revenue Fund	B-25	80
Library GO Bonds Special Revenue Fund	B-26	81
Technology for Education PED Special Revenue Fund	B-27	82
Pre K Initiative Special Revenue Fund	B-28	83
Beginning Teacher Mentoring Program Special Revenue Fund	B-29	84
Breakfast for Elementary Students Special Revenue Fund	B-30	85
Kindergarten Three Plus Special Revenue Fund	B-31	86
After School Enrichment Program Special Revenue Fund	B-32	87
Libraries SB301 GO Bonds Special Revenue Fund	B-33	88
Combining Balance Sheet – Nonmajor Capital Projects Funds	C-1	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	C-2	91
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Bond Building Capital Project Fund	C-3	92
Special Capital Outlay-Local Capital Project Fund	C-4	93
Capital Improvements SB-9 Capital Project Fund	C-5	94
Combining Balance Sheet – Nonmajor Debt Service Funds	D-1	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	D-2	97
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Debt Service Fund	D-3	98
 SUPPORTING SCHEDULES		
Schedule of Changes in Assets and Liabilities – Agency Funds	I	99
Schedule of Collateral Pledged by Depository	II	102
Schedule of Cash and Temporary Investment Accounts	III	103
Cash Reconciliation	IV	104

ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011
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>	108
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FEDERAL FINANCIAL ASSISTANCE

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	110
Schedule of Expenditures of Federal Awards	V 112
Schedule of Findings and Questioned Costs	VI 115

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**OFFICIAL ROSTER
JUNE 30, 2011**

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

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FINANCIAL SECTION

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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, 2011, 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 capital project funds, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, 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, 2011, 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, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the capital project funds, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2011 on our consideration of Magdalena Municipal School District, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Phone (505) 856-2741 - Fax (505) 856-7510

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local 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 2, 2011

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Magdalena Municipal School District

Michael Chambers, Superintendent

Management Discussion and Analysis
For the Fiscal Year Ending June 30, 2011

This Management Discussion and Analysis of the fiscal performance of the MAGDALENA MUNICIPAL SCHOOL DISTRICT (District) for the period ending June 30, 2011 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, 2011. 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, 2011

*

The overall adjusted Fund Balance was \$1,907,497 for the year ending June 30, 2011 which is an increase of \$994,990 over the ending fund balance of \$912,507 on June 30, 2010. The district anticipates a cut in funding for fiscal year 2011-12 therefore was prudent in spending in fiscal year 2010-11.

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 \$11,296,032. The District has \$1,833,511 of cash and cash equivalents on hand as of June 30, 2011 compared to \$385,216 in accounts payable and other current liabilities. Net Assets totaling \$1,216,002 are "restricted" for debt service and capital projects. Net Assets totaling \$550,492 are "unrestricted".

	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Assets		
Cash Assets	\$ 724,162	\$ 1,833,511
Other Current Assets	258,813	260,084
Capital Assets	16,736,488	16,955,839
Less Accumulated Depreciation	(5,372,088)	(5,851,301)
Total Assets	<u>\$ 12,347,375</u>	<u>\$ 13,198,133</u>
Liabilities		
Accounts Payable	\$ 19,596	\$ 114,111
Other Current Liabilities	196,277	271,105
Long Term Liabilities	375,000	1,516,885
Total Liabilities	<u>\$ 590,873</u>	<u>\$ 1,902,101</u>
Net Assets		
Invested in Capital Assets	\$ 10,929,400	\$ 9,529,538
Restricted	84,061	1,216,002
Unrestricted	743,041	550,492
Total Net Assets	<u>\$ 11,756,502</u>	<u>\$ 11,296,032</u>

GASB 34 rules now require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$5,851,301. 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, 2011. As of June 30, 2011 the District had net assets of \$11,296,032. The Adjusted beginning year total net assets is \$11,756,502 reflecting a decrease in total net assets of \$460,470 for the year ending June 30, 2011.

	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Expenses for Governmental Activities	8,010,693	7,677,167
Less Charges for Services	29,016	27,200
Less Operating Grants and Contributions	3,665,605	3,190,075
Less Capital Grants and Contributions	<u>338,217</u>	<u>135,318</u>
Net (Expenses) Revenues and Changes in Net Assets	<u>(3,977,855)</u>	<u>(4,324,574)</u>
General Revenues		
Taxes - general, debt service, capital projects	106,262	130,726
Federal and State Aid not restricted to specific purpose	3,852,783	3,713,812
Gain on sale of Fixed Assets	1,499	0
Interest	0	1,131
Miscellaneous	<u>24,515</u>	<u>18,435</u>
Subtotal, General Revenues	<u>3,985,059</u>	<u>3,864,104</u>
Changes in Net Assets	7,204	(460,470)
Net Assets Beginning	<u>11,749,298</u>	<u>11,756,502</u>
Net Assets - Ending	<u>11,756,502</u>	<u>11,296,032</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 \$7,216,582. Total expenditures for the District were \$7,433,592. The total ending fund balance was \$1,907,497; an increase of \$994,990 from the prior year.

Multi-Year District Revenues and Expenditures

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

Year	Total Revenues *	Increase %	Total Expenses *	Increase %
1999/2000	4,243,135	-	7,271,225	-
2000/2001	4,757,690	12%	4,646,772	-36%
2001/2002	4,953,524	4%	5,182,259	12%
2002/2003	5,867,103	18%	5,447,618	5%
2003/2004	6,474,314	10%	6,591,560	21%
2004/2005	8,641,936	33%	8,597,905	30%
2005/2006	7,102,484	-18%	7,323,703	-15%
2006-2007	7,119,844	0.20%	7,023,238	-4%
2007-2008	8,036,988	12.91%	8,349,407	19%
2008-2009	7,777,267	-3.65%	7,580,549	-9%
2009-2010	8,017,897	3.38%	7,828,367	-6%
2010-2011	8,428,582	5.11%	7,433,592	-5%

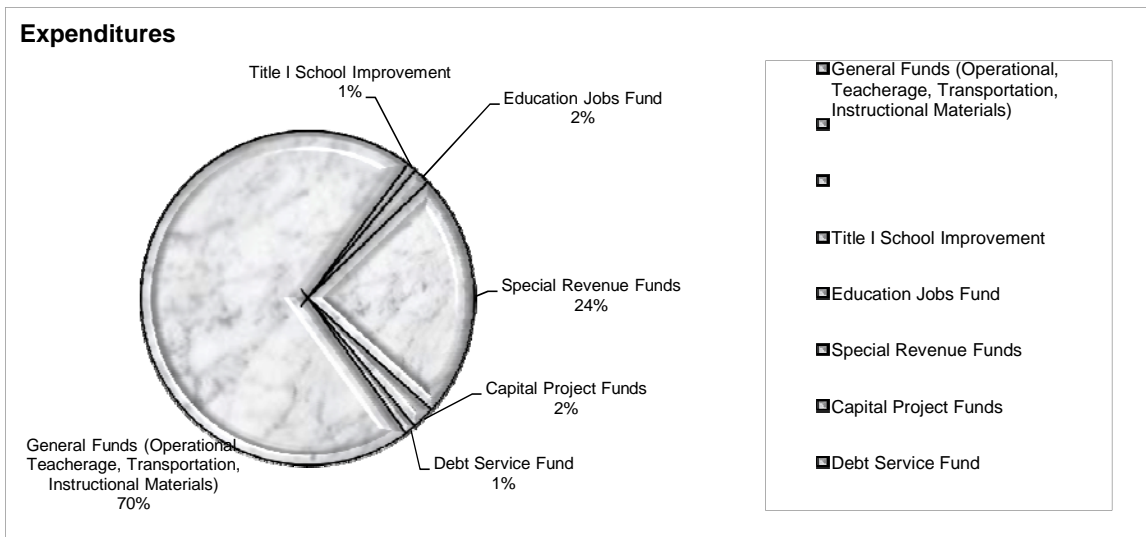
* Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenditures include capital outlays.

The Budget

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

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

Major budgetary funds in these reports are; The General Fund (Operational, Teacherage, Transportation, Instructional Materials), Title I School Improvement, Education Jobs Fund and Bond Building. In addition, thirty-one (31) non-major Special Revenue Funds, two (2) non-major Capital Projects Funds and one (1) non-major 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 Fund represents 70% 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, 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, 2011. 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 (Operational, Teacherage, Transportation, Instructional Materials)	5,495,871	5,114,517	381,354
Title I School Improvement	85,441	64,776	20,665
Education Jobs Fund	122,575	122,575	0

COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

Fund Type	Final Budget	Actual	Variance
Special Revenue Funds	2,066,827	1,740,449	326,378
Capital Project Funds	202,545	163,342	39,203
Debt Service Fund	143,717	76,439	67,278

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.

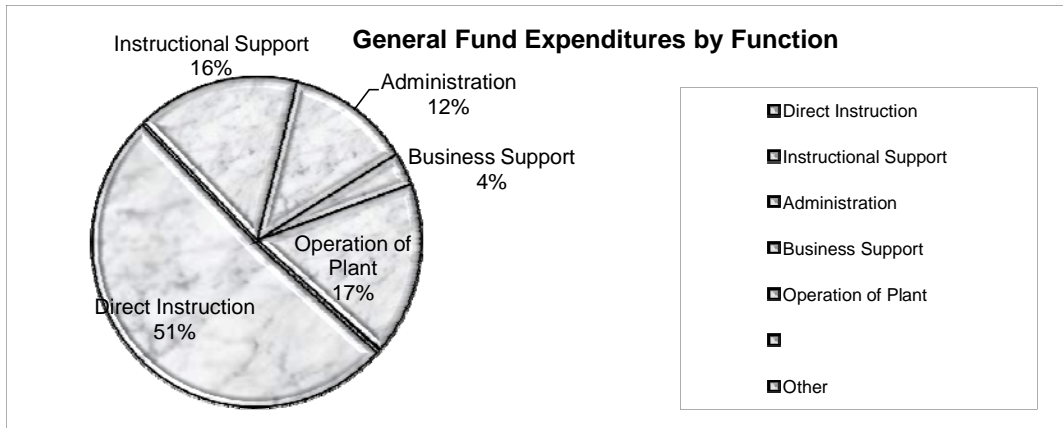
The General Fund

The General Fund revenues represents \$4,594,459 of the total \$7,216,582 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%
2008-2009	4,963,444	-1%
2009-2010	4,595,126	-8%
2010-2011	4,594,459	0%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$4,799,036 was expended in the year ending June 30, 2011. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$2,454,456 and represents 51% 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 16% 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 12% and the Business Office represent 4% 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 17% 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, 2009	Balance June 30, 2010	Balance June 30, 2011
Land & Improvements	1,602,927	1,660,559	1,759,119
Buildings & Improvements	13,598,211	13,696,771	13,635,971
Furniture, Fixtures & Equipment	1,277,963	1,379,158	1,560,749
Total Capital Assets	16,479,101	16,736,488	16,955,839
Less Accumulated Depreciation	(4,896,106)	(5,372,088)	(5,851,301)
Capital Assets-Net	11,582,995	11,364,400	11,104,538

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, 2011, which include payments towards the \$1.2 million bond that was issued during FY11.

Year Ended June 30	Principal	Interest	Totals
2012	70,000	58,724	128,724
2013	75,000	56,216	131,216
2014	75,000	53,558	128,558
2015	85,000	50,698	135,698
2016	150,000	47,410	197,410
2017-2021	690,000	178,325	868,325
2022-2026	430,000	34,344	464,344
Total	1,575,000	479,275	2,054,275

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 \$420,519 as of June 30, 2011; \$202,628 held on behalf of the student activities and \$217,891 held in scholarships.

Future Trends

The district is in the middle of a capital building project which will be mostly funded by the bond issue passed last February. Any shortage due to the change in assessed value of the district caused by the county changing the way grazing lands are assessed will have to be covered by other funds. This could clearly impact our cash balance position. The district has also experienced a loss in student numbers which will impact SEG. Clearly we will be looking at staffing as we moved to a new budget for the 2012-2013 school year. With proposed legislative and PED initiatives we have no expectation of additional funding. We expect to have to downsize staff for next year.

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

Exhibit A-1
(Page 1 of 2)

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and temporary investments	\$ 1,833,511
Receivables (net of allowance for uncollectible)	185,845
Inventory	5,941
Total current assets	<u>2,025,297</u>
Noncurrent assets	
Bond issuance costs (net of amortization of \$81,736)	68,298
Capital assets (net of accumulated depreciation):	
Land	
Land improvements	1,759,119
Buildings and building improvements	13,635,971
Furniture, fixtures and equipment	1,560,749
Less: accumulated depreciation	<u>(5,851,301)</u>
Total noncurrent assets	<u>11,172,836</u>
Total assets	<u>\$ 13,198,133</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, 2011

Exhibit A-1
(Page 2 of 2)

		<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$	114,111
Accrued compensated absences		188,120
Accrued interest		9,296
Deferred Revenue		3,689
Current portion of long-term debt		<u>70,000</u>
Total current liabilities		385,216
Noncurrent liabilities:		
Bond underwriter premium (net of amortization of \$115)		11,885
Bonds due in more than one year		<u>1,505,000</u>
Total noncurrent liabilities		1,516,885
Total liabilities		1,902,101
Invested in capital assets, net of related debt		9,529,538
Restricted for:		
Debt service		68,022
Capital projects		1,147,980
Unrestricted		<u>550,492</u>
Total net assets		<u>11,296,032</u>
Total liabilities and net assets	\$	<u><u>13,198,133</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, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Primary Government		
Governmental activities:		
Instruction	\$ 4,311,483	\$ 19,262
Support services:		
Students	747,727	-
Instruction	90,704	-
General Administration	349,070	-
School Administration	422,718	-
Central Services	157,639	-
Operation & Maintenance of Plant	693,654	-
Student Transportation	328,022	-
Food Services Operation	253,381	7,938
Community Services	13,035	-
Other Support Services	6,392	-
Facilities Materials, Supplies & Other Services	282,600	-
Interest on long-term debt	20,742	-
Total Primary Government	<u>\$ 7,677,167</u>	<u>\$ 27,200</u>

The accompanying notes are an integral part of these financial statements

Program Revenues		Net
Operating Grants and Contributions	Capital Grants and Contributions	(Expenses) Revenues and Changes in Net Assets
\$ 2,520,387	\$ -	\$ (1,771,834)
51,381	-	(696,346)
7,137	-	(83,567)
-	-	(349,070)
-	-	(422,718)
-	-	(157,639)
43,806	-	(649,848)
307,472	-	(20,550)
247,357	-	1,914
-	-	(13,035)
-	-	(6,392)
12,535	135,318	(134,747)
-	-	(20,742)
<u>\$ 3,190,075</u>	<u>\$ 135,318</u>	<u>\$ (4,324,574)</u>
General Revenues:		
Property taxes:		
Levied for general purposes		\$ 6,958
Levied for debt service		83,244
Levied for capital projects		40,524
State Equalization Guarantee		3,713,812
Interest		1,131
Miscellaneous		18,435
		<u>3,864,104</u>
Total general revenues		<u>3,864,104</u>
		(460,470)
Change in net assets		(460,470)
Net assets - beginning		<u>11,756,502</u>
Net assets - ending		<u>\$ 11,296,032</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, 2011

	General 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 295,229	\$ 2,302	\$ 2,840	\$ 2,751
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	10,618	-	-	-
Interfund receivables	170,931	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
	<u>476,778</u>	<u>2,302</u>	<u>2,840</u>	<u>2,751</u>
<i>Total assets</i>	<u>476,778</u>	<u>2,302</u>	<u>2,840</u>	<u>2,751</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	10,923	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
	<u>10,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>10,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Nonspendable	-	-	-	-
Restricted for:				
General Fund	-	35	2,840	2,751
Special revenue	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	363,044	2,267	-	-
Unassigned	102,811	-	-	-
	<u>465,855</u>	<u>2,302</u>	<u>2,840</u>	<u>2,751</u>
<i>Total fund balance</i>	<u>465,855</u>	<u>2,302</u>	<u>2,840</u>	<u>2,751</u>
<i>Total liabilities and fund balance</i>	<u>\$ 476,778</u>	<u>\$ 2,302</u>	<u>\$ 2,840</u>	<u>\$ 2,751</u>

The accompanying notes are an integral part of these financial statements

Title I School Improvement 24162	Education Jobs Fund Federal Stimulus 25255	Bond Building 31100	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 1,169,568	\$ 360,821	\$ 1,833,511
-	-	-	-	-
64,776	40,219	-	70,232	185,845
-	-	-	-	170,931
-	-	-	-	-
-	-	-	5,941	5,941
<u>64,776</u>	<u>40,219</u>	<u>1,169,568</u>	<u>436,994</u>	<u>2,196,228</u>
-	-	98,207	4,981	114,111
-	-	-	-	-
-	-	-	-	-
64,776	40,219	-	65,936	170,931
-	-	-	-	-
-	-	-	3,689	3,689
<u>64,776</u>	<u>40,219</u>	<u>98,207</u>	<u>74,606</u>	<u>288,731</u>
-	-	-	5,941	5,941
-	-	-	-	5,626
-	-	-	58,777	58,777
-	-	71,361	44,286	115,647
-	-	-	66,735	66,735
-	-	1,000,000	186,649	1,551,960
-	-	-	-	102,811
<u>-</u>	<u>-</u>	<u>1,071,361</u>	<u>362,388</u>	<u>1,907,497</u>
<u>\$ 64,776</u>	<u>\$ 40,219</u>	<u>\$ 1,169,568</u>	<u>\$ 436,994</u>	<u>\$ 2,196,228</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS

Exhibit B-1
 (Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 1,907,497
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,104,538
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	68,298
Bond underwriter premiums net of accumulated amortization	(11,885)
Accrued interest	(9,296)
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	(188,120)
General obligation bonds	(1,575,000)
Net Assets-total Governmental Activities	\$ 11,296,032

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, 2011

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
<i>Revenues:</i>				
Property taxes	\$ 6,958	\$ -	\$ -	\$ -
State grants	-	-	293,317	16,592
Federal grants	803,348	-	-	-
Miscellaneous	3,784,153	-	-	292
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,594,459</u>	<u>-</u>	<u>293,317</u>	<u>16,884</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,454,456	-	-	15,611
Support Services				
Students	692,311	-	-	-
Instruction	80,804	-	-	-
General Administration	269,067	-	-	-
School Administration	319,324	-	-	-
Central Services	157,639	-	-	-
Operation & Maintenance of Plant	819,043	66	-	-
Student Transportation	-	-	296,157	-
Other Support Services	6,392	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,799,036</u>	<u>66</u>	<u>296,157</u>	<u>15,611</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(204,577)</u>	<u>(66)</u>	<u>(2,840)</u>	<u>1,273</u>
<i>Other financing sources (uses):</i>				
Operating transfers	(5,279)	-	-	-
Proceeds from bond issues	-	-	-	-
Bond underwriter premiums	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(5,279)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(209,856)	(66)	(2,840)	1,273
<i>Fund balances - beginning of year</i>	<u>675,711</u>	<u>2,368</u>	<u>5,680</u>	<u>1,478</u>
<i>Fund balances - end of year</i>	<u>\$ 465,855</u>	<u>\$ 2,302</u>	<u>\$ 2,840</u>	<u>\$ 2,751</u>

The accompanying notes are an integral part of these financial statements

Title I School Improvement 24162	Education Jobs Fund Federal Stimulus 25255	Bond Building 31100	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ -	\$ 123,768	\$ 130,726
-	-	-	196,082	505,991
59,702	122,575	-	1,774,015	2,759,640
-	-	-	34,649	3,819,094
-	-	1,131	-	1,131
<u>59,702</u>	<u>122,575</u>	<u>1,131</u>	<u>2,128,514</u>	<u>7,216,582</u>
64,776	122,575	-	1,212,495	3,869,913
-	-	-	55,416	747,727
-	-	-	6,372	87,176
-	-	-	78,516	347,583
-	-	-	100,771	420,095
-	-	-	-	157,639
-	-	-	-	819,109
-	-	-	15,557	311,714
-	-	-	-	6,392
-	-	-	269,417	269,417
-	-	-	13,035	13,035
-	-	98,207	165,645	263,852
-	-	-	60,000	60,000
-	-	-	15,607	15,607
-	-	44,333	-	44,333
<u>64,776</u>	<u>122,575</u>	<u>142,540</u>	<u>1,992,831</u>	<u>7,433,592</u>
(5,074)	-	(141,409)	135,683	(217,010)
5,074	-	-	205	-
-	-	1,200,000	-	1,200,000
-	-	12,000	-	12,000
<u>5,074</u>	<u>-</u>	<u>1,212,000</u>	<u>205</u>	<u>1,212,000</u>
-	-	1,070,591	135,888	994,990
-	-	770	226,500	912,507
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,071,361</u>	<u>\$ 362,388</u>	<u>\$ 1,907,497</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 994,990
<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	(108,862)
Capital Outlays	(151,000)
<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>	
Bond issuance costs	44,333
Amortization of bond issuance costs	(5,808)
Bond underwriter premiums	(12,000)
Amortization of original issue premium	115
Increase in accrued interest payable	(5,135)
Increase in accrued compensated absences	(77,103)
Bond Proceeds	(1,200,000)
Principal payments on bonds	<u>60,000</u>
Change in Net Assets-total Governmental Activities	<u><u>\$ (460,470)</u></u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GENERAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 8,430	\$ 8,430	\$ 6,958	\$ (1,472)
State grants	-	-	-	-
Federal grants	627,724	627,724	803,348	175,624
Miscellaneous	4,006,027	4,063,438	3,773,535	(289,903)
Interest	-	-	-	-
<i>Total revenues</i>	4,642,181	4,699,592	4,583,841	(115,751)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,833,540	2,705,920	2,449,266	256,654
Support Services				
Students	607,363	617,403	692,311	(74,908)
Instruction	39,772	39,772	80,804	(41,032)
General Administration	306,610	306,610	269,067	37,543
School Administration	334,662	334,662	319,324	15,338
Central Services	193,052	193,052	157,639	35,413
Operation & Maintenance of Plant	785,746	960,737	827,880	132,857
Student Transportation	-	-	-	-
Other Support Services	3,776	3,776	6,392	(2,616)
Food Services Operations	19,519	19,519	-	19,519
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,124,040	5,181,451	4,802,683	378,768
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(481,859)	(481,859)	(218,842)	263,017
<i>Other financing sources (uses):</i>				
Designated cash	481,859	481,859	-	(481,859)
Operating transfers	-	-	(5,279)	(5,279)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	481,859	481,859	(5,279)	(487,138)
<i>Net changes in fund balances</i>	-	-	(224,121)	(224,121)
<i>Fund balances - beginning of year</i>	-	-	690,281	690,281
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 466,160	\$ 466,160
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			10,618	
Adjustments to expenditures			3,647	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (209,856)	

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, 2011

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	2,367	2,367	66	2,301
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	2,367	2,367	66	2,301
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(2,367)	(2,367)	(66)	2,301
<i>Other financing sources (uses):</i>				
Designated cash	2,367	2,367	-	(2,367)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	2,367	2,367	-	(2,367)
<i>Net changes in fund balances</i>	-	-	(66)	(66)
<i>Fund balances - beginning of year</i>	-	-	2,368	2,368
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,302	\$ 2,302
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (66)	

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	320,400	296,157	293,317	(2,840)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>320,400</u>	<u>296,157</u>	<u>293,317</u>	<u>(2,840)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	320,400	296,157	296,157	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>320,400</u>	<u>296,157</u>	<u>296,157</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,840)</u>	<u>(2,840)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,840)</u>	<u>(2,840)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,680</u>	<u>5,680</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,840</u>	<u>\$ 2,840</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>\$ (2,840)</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, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	15,896	15,896	16,592	696
Federal grants	-	-	-	-
Miscellaneous	-	-	292	292
Interest	-	-	-	-
<i>Total revenues</i>	15,896	15,896	16,884	988
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,896	15,896	15,611	285
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>	15,896	15,896	15,611	285
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	1,273	1,273
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	1,273	1,273
<i>Fund balances - beginning of year</i>	-	-	1,478	1,478
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,751	\$ 2,751
<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>			\$ 1,273	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	85,441	19,994	(65,447)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>85,441</u>	<u>19,994</u>	<u>(65,447)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	85,441	64,776	20,665
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>85,441</u>	<u>64,776</u>	<u>20,665</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,782)</u>	<u>(44,782)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	5,074	5,074
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>5,074</u>	<u>5,074</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(39,708)</u>	<u>(39,708)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(25,068)</u>	<u>(25,068)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,776)</u>	<u>\$ (64,776)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			39,708	
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
EDUCATION JOBS FUND 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, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	122,575	82,356	(40,219)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>122,575</u>	<u>82,356</u>	<u>(40,219)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	122,575	122,575	-
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>122,575</u>	<u>122,575</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(40,219)</u>	<u>(40,219)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(40,219)</u>	<u>(40,219)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,219)</u>	<u>\$ (40,219)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			40,219	
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 SCHOOL DISTRICT
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Student Activities Cash	\$ 202,628
Gear Up Scholarship Cash	<u>217,891</u>
<i>Total assets</i>	<u><u>420,519</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>420,519</u>
<i>Total liabilities</i>	<u><u>\$ 420,519</u></u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011

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, 2011

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

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

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

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

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

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

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

The *Title I School Improvement Special Revenue Fund* is used to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

The *Education Jobs Fund Federal Stimulus Special Revenue Fund* is used to provide \$10 billion in assistance to States to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

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

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

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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

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

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

D. Assets, Liabilities and Net Assets or Equity

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

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

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

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

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

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

The District receives monthly income from a tax levy in Socorro County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Socorro County Treasurer in July and August 2011 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2011.

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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

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

Inventory: Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2011.

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, 2011, 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, 2011.

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

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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.

Sick Leave: All full-time staff shall earn one day of sick leave per month. Accrued sick leave is payable for employees for have completed five consecutive years of employment within the District. The District will payout unused sick leave at a rate of \$25 per day.

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, 2011

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 \$3,713,812 in state equalization guarantee distributions during the year ended June 30, 2011.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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 \$130,726 in tax revenues during the year ended June 30, 2011. 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 \$293,317 in transportation distributions during the year ended June 30, 2011.

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, 2011 totaled \$16,592.

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, 2011

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, 2011, the District did not receive any 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 \$138,808 in state SB-9 matching during the year ended June 30, 2011.

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, 2011

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, 2011

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, 2011, 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, 2011.

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, 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, 2011

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	\$ 2,214,342
FDIC coverage	<u>(2,214,342)</u>
Total uninsured public funds	—
Collateral requirement (50% of uninsured public funds)	\$ —
Pledged security	<u>22,632</u>
Total under (over) collateralized	<u>\$ (22,632)</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, 2011, none of the District's bank balance of \$2,214,342 was exposed to custodial credit risk as the District's bank balances were fully insured by FDIC.

At June 30, 2011, the carrying amount of these deposits was \$2,071,642.

Investments

As of June 30, 2011, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>Less than 1 Year</u>
Federal Farm Credit Bank	\$ 51,130	51,130
Federal Home Loan Bank	90,884	90,884
Federal Home Loan Mortgage Corp.	<u>40,349</u>	<u>40,349</u>
Total	<u>\$ 182,363</u>	<u>182,363</u>

Interest Rate Risk – Investments. The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Regarding *Credit Risk*, the District's investments were rated AAA by Moody's Investors Services and S&P.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 3. Cash and Temporary Investments - (Continued)

Reconciliation of Cash and Temporary Investments

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 1,833,511
Statement of Fiduciary Net Assets – cash per Exhibit D-1	<u>420,519</u>
	2,254,030
Less Investments	(182,363)
Add outstanding checks and other reconciling items	<u>142,700</u>
	2,214,367
Less petty cash	(25)
Bank balance of deposits	<u><u>\$ 2,214,342</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2011, are as follows:

	<u>General Fund</u>	<u>Title I School Improvement</u>	<u>Education Jobs Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Intergovernmental					
- grants	\$ 10,618	\$ 64,776	\$ 40,219	\$ 70,232	\$ 185,845
Total receivables	<u>\$ 10,618</u>	<u>\$ 64,776</u>	<u>\$ 40,219</u>	<u>\$ 70,232</u>	<u>\$ 185,845</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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	\$ —	\$ 5,279
Title I School Improvement	5,074	—
Nonmajor Funds:		
Teacher/Principal Training and Recruiting	72	—
SEG – Federal Stimulus	<u>133</u>	<u>—</u>
 Total Governmental Transfers	 \$ <u>5,279</u>	 \$ <u>5,279</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, 2011 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 170,931	\$ —
Title I – School Improvement	—	64,776
Education Jobs Fund – Federal Stimulus	—	40,219
Nonmajor Funds:		
Title I – IASA	—	2,627
Entitlement IDEA-B	—	766
Discretionary IDEA-B	—	167
Preschool IDEA-B	—	10,215
Entitlement IDEA-B – Federal Stimulus	—	19,129
Preschool IDEA-B – Federal Stimulus	—	1,431
Johnson O’Malley	—	7,071
SEG Federal Stimulus	—	6,090
Library GO Bonds	—	3,397
Pre Kindergarten Initiative	—	124
Special Capital Outlay – Local	<u>—</u>	<u>14,919</u>
 Total Governmental Activities	 \$ <u>170,931</u>	 \$ <u>170,931</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2011 follows. Land is not subject to depreciation.

	Balance June 30, 2010	Additions	Deletions	Adjustments	Balance June 30, 2011
Capital Assets not being depreciated:					
Land	\$ 69,672	\$ -	\$ -	\$ -	\$ 69,672
Capital Assets being depreciated:					
Land improvements	\$ 1,590,887	\$ -	\$ -	\$ 98,560	\$ 1,689,447
Buildings and building improvements	13,696,771	37,760	-	(98,560)	13,635,971
Equipment & vehicles	<u>1,379,158</u>	<u>181,592</u>	-	-	<u>1,560,749</u>
Total Capital Assets being depreciated:	<u>16,666,816</u>	<u>219,351</u>	-	-	<u>16,886,167</u>
Less Accumulated Depreciation for:					
Land and land improvements	390,167	94,515	-	-	484,682
Buildings and building improvements	4,067,155	302,866	-	-	4,370,021
Equipment & vehicles	<u>914,766</u>	<u>81,832</u>	-	-	<u>996,598</u>
Total Accumulated depreciation:	<u>5,372,088</u>	<u>479,213</u>	-	-	<u>5,851,301</u>
Net Capital Assets being depreciated	<u>11,294,728</u>	<u>(259,862)</u>	-	-	<u>11,034,866</u>
Governmental activities capital assets, net:	<u>\$ 11,364,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,104,538</u>

Capital assets, net of accumulated depreciation, at June 30, 2011 appear in the Statement of Net Assets as follows: Governmental activities \$11,104,538.

Depreciation expense for the year ended June 30, 2011 was charged to governmental activities as follows:

Instruction	\$ 370,351
Support Services - Instruction	3,528
Support Services – General Administration	1,487
Support Services – School Administration	2,623
Operation and Maintenance of Plant	28,242
Food Services	50,700
Transportation	16,308
Capital Outlay	<u>5,974</u>
	<u>\$ 479,213</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7. Long-Term Debt

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$ 435,000	\$ 1,200,000	\$ 60,000	\$ 1,575,000	\$ 70,000
Compensated Absences	<u>111,017</u>	<u>120,630</u>	<u>43,527</u>	<u>188,120</u>	<u>188,120</u>
Total	<u>\$ 546,017</u>	<u>\$ 1,320,630</u>	<u>\$ 103,527</u>	<u>\$ 1,763,120</u>	<u>\$ 258,120</u>

The annual requirements to amortize the Bonds as of June 30, 2011, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2012	\$ 70,000	\$ 58,724	\$ 128,724
2013	75,000	56,216	131,216
2014	75,000	53,558	128,558
2015	85,000	50,698	135,698
2016	150,000	47,410	197,410
2017-2021	690,000	178,325	868,325
2022-2026	<u>430,000</u>	<u>34,344</u>	<u>464,344</u>
Totals	<u>\$ 1,575,000</u>	<u>\$ 479,274</u>	<u>\$ 2,054,274</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, 2011, compensated absences increased \$77,103 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, 2011, 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, 2011

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, 2011:

Nonmajor Funds:	
Pre K Initiative	124
Special Capital Outlay - Local	<u>5,989</u>
Total	<u>\$ 6,113</u>

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

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2011:

Nonmajor Funds:

Debt Service – Support Services	<u>\$ 77</u>
Total	<u>\$ 77</u>

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, 2011, 2010, and 2009, were \$416,446, \$452,751 and \$441,694 respectively, which equal the amount of the required contributions for each fiscal year.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

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

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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .833% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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>
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, 2011, 2010 and 2009 were \$61,801, \$52,452, and \$49,360, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

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

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011, the CREC passed through \$114,060 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 Events

On July 11, 2011, the District entered into a contract with Michael S. Rich Contractors, Inc. for a classroom expansion project in the amount of \$1,081,770, which will be funded mainly out of the Bond Building Capital Project Fund (31100).

NOTE 16. Subsequent Accounting Standard Pronouncements

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*, which is effective for financial statement periods beginning after June 15, 2011. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, which is effective for financial statement periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 16. Subsequent Accounting Standard Pronouncements (continued)

In December of 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is effective for financial statements for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

NOTE 17. Governmental Fund Balance

Fund Balance: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 17. Fund Balance (continued)

	General Fund			
	General Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund
Fund Balances:				
Nonspendable:				
Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Education	-	-	-	-
Debt service	-	-	-	-
School construction	-	-	-	-
General fund	-	35	2,840	2,751
Assigned to:				
Debt service	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	363,044	2,267	-	-
Unassigned:	102,811	-	-	-
Total fund balances	<u>\$ 465,855</u>	<u>\$ 2,302</u>	<u>\$ 2,840</u>	<u>\$ 2,751</u>

	Bond Building Fund	Other Governmental Funds	Total Fund
	Fund Balances:		
Nonspendable:			
Inventory	\$ -	\$ 5,941	\$ 5,941
Restricted for:			
General fund	-	-	5,626
Education	-	58,777	58,777
School construction	71,361	44,286	115,647
Debt service	-	66,735	66,735
Assigned to:			
Debt service	-	1,287	1,287
Other capital projects	1,000,000	-	1,000,000
Other purposes	-	185,362	550,673
Unassigned:	-	-	102,811
Total fund balances	<u>\$ 1,071,361</u>	<u>\$ 362,388</u>	<u>\$ 1,907,497</u>

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 237,543	\$ 55,256	\$ 68,022	\$ 360,821
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	61,302	8,930	-	70,232
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	5,941	-	-	5,941
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	304,786	64,186	68,022	436,994
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	4,981	-	4,981
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	51,017	14,919	-	65,936
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	3,689	-	-	3,689
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	54,706	19,900	-	74,606
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Fund balances</i>				
Fund Balance:				
Nonspendable	5,941	-	-	5,941
Restricted for:				
General Fund	-	-	-	-
Special revenue	58,777	-	-	58,777
Capital projects	-	44,286	-	44,286
Debt service	-	-	66,735	66,735
Assigned	185,362	-	1,287	186,649
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total fund balance</i>	250,080	44,286	68,022	362,388
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total liabilities and fund balance</i>	\$ 304,786	\$ 64,186	\$ 68,022	\$ 436,994
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

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STATE OF NEW MEXICO

Statement A-2

MAGDALENA MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDING JUNE 30, 2011

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 40,524	\$ 83,244	\$ 123,768
State grants	57,274	138,808	-	196,082
Federal grants	1,774,015	-	-	1,774,015
Miscellaneous	25,719	8,930	-	34,649
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,857,008</u>	<u>188,262</u>	<u>83,244</u>	<u>2,128,514</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,212,495	-	-	1,212,495
Support Services				
Students	55,416	-	-	55,416
Instruction	6,372	-	-	6,372
General Administration	77,279	405	832	78,516
School Administration	100,771	-	-	100,771
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	15,557	-	-	15,557
Other Support Services	-	-	-	-
Food Services Operations	269,417	-	-	269,417
Community Service	13,035	-	-	13,035
Capital outlay	-	165,645	-	165,645
Debt service				
Principal	-	-	60,000	60,000
Interest	-	-	15,607	15,607
<i>Total expenditures</i>	<u>1,750,342</u>	<u>166,050</u>	<u>76,439</u>	<u>1,992,831</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>106,666</u>	<u>22,212</u>	<u>6,805</u>	<u>135,683</u>
<i>Other financing sources (uses):</i>				
Operating transfers	205	-	-	205
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>205</u>	<u>-</u>	<u>-</u>	<u>205</u>
<i>Net changes in fund balances</i>	<u>106,871</u>	<u>22,212</u>	<u>6,805</u>	<u>135,888</u>
<i>Fund balances - beginning of year</i>	<u>143,209</u>	<u>22,074</u>	<u>61,217</u>	<u>226,500</u>
<i>Fund balances - end of year</i>	<u>\$ 250,080</u>	<u>\$ 44,286</u>	<u>\$ 68,022</u>	<u>\$ 362,388</u>

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

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SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS

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

Food Services (21000) – This 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.

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 24201 – Federal Stimulus) – 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) – 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.

IDEA-B Early Intervention Services (24112) – To account for a program funded by a Federal grant to assist the District to make improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

IDEA-B Risk Pool (24120) – Funding for students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district.

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

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

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

Food Service Equipment Assistance (24183) – US Dept of Agriculture 2010 equipment assistant grant. One time appropriation for equipment assistance for schools participating in the national school lunch program. Only 5,031 of 23,725 applications were funded for this fiscal year.

SPECIAL REVENUE FUNDS (continued)

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)

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.

Library GO Bonds 2009-2011 (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.

SPECIAL REVENUE FUNDS (continued)

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.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Food Service 21000	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 84,776	\$ 13,287	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	10,409	-	2,627	766
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	5,941	-	-	-
<i>Total assets</i>	<u>101,126</u>	<u>13,287</u>	<u>2,627</u>	<u>766</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	2,627	766
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>2,627</u>	<u>766</u>
<i>Fund balances</i>				
Fund Balance:				
Nonspendable	5,941	-	-	-
Restricted for:				
General Fund	-	-	-	-
Special revenue	25,185	2,287	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	70,000	11,000	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>101,126</u>	<u>13,287</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 101,126</u>	<u>\$ 13,287</u>	<u>\$ 2,627</u>	<u>\$ 766</u>

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

Discretionary IDEA-B 24107	Preschool IDEA-B 24109	IDEA-B Early Intervention Services 24112	IDEA-B "Risk Pool" 24120	Title I 1003g Grant 24124	Enhancing Education Thru Technology 24149
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
167	10,215	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>167</u>	<u>10,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
167	10,215	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>167</u>	<u>10,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 167</u>	<u>\$ 10,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Food Service Equipment Assistance 24183	Title I Federal Stimulus 24201
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 618	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>618</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	618	-	-
<i>Total liabilities</i>	<u>-</u>	<u>618</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Nonspendable	-	-	-	-
Restricted for:				
General Fund	-	-	-	-
Special revenue	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<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>\$ -</u>	<u>\$ -</u>

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

Entitlement IDEA-B Federal Stimulus 24206	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
\$ -	\$ -	\$ -	\$ 35,046	\$ 49,788	\$ 46,904
-	-	-	-	-	-
19,129	1,431	7,071	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,129</u>	<u>1,431</u>	<u>7,071</u>	<u>35,046</u>	<u>49,788</u>	<u>46,904</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,129	1,431	7,071	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,129</u>	<u>1,431</u>	<u>7,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	307	-	27,069
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	34,739	49,788	19,835
-	-	-	-	-	-
-	-	-	35,046	49,788	46,904
<u>\$ 19,129</u>	<u>\$ 1,431</u>	<u>\$ 7,071</u>	<u>\$ 35,046</u>	<u>\$ 49,788</u>	<u>\$ 46,904</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, 2011

	Indian Ed Formula Grant 25184	Special Projects Demonstration USDE 25194	SEG Federal Stimulus 25250	Library GO Bonds 27105
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 2,721	\$ 350	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	6,090	3,397
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>2,721</u>	<u>350</u>	<u>6,090</u>	<u>3,397</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	6,090	3,397
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	2,721	350	-	-
<i>Total liabilities</i>	<u>2,721</u>	<u>350</u>	<u>6,090</u>	<u>3,397</u>
<i>Fund balances</i>				
Fund Balance:				
Nonspendable	-	-	-	-
Restricted for:				
General Fund	-	-	-	-
Special revenue	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<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>\$ 350</u>	<u>\$ 6,090</u>	<u>\$ 3,397</u>

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

Technology for Education PED 27117	Pre K Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Kindergarten Three Plus 27166	After School Enrichment Program 27168
\$ 3,162	\$ -	\$ 197	\$ -	\$ 393	\$ 301
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,162</u>	<u>-</u>	<u>197</u>	<u>-</u>	<u>393</u>	<u>301</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	124	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
3,162	(124)	197	-	393	301
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,162</u>	<u>(124)</u>	<u>197</u>	<u>-</u>	<u>393</u>	<u>301</u>
<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ -</u>	<u>\$ 393</u>	<u>\$ 301</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

Statement B-1
(Page 4 of 4)

	Libraries SB301 GO Bonds 27170	Total
ASSETS		
<i>Current Assets</i>		
Cash and temporary investments	\$ -	\$ 237,543
Accounts receivable		
Taxes	-	-
Due from other governments	-	61,302
Interfund receivables	-	-
Other	-	-
Inventory	-	5,941
<i>Total assets</i>	-	304,786
 LIABILITIES AND FUND BALANCES		
<i>Current Liabilities:</i>		
Accounts payable	-	-
Accrued payroll liabilities	-	-
Accrued compensated absences	-	-
Interfund payables	-	51,017
Deferred revenue - property taxes	-	-
Deferred revenue - other	-	3,689
<i>Total liabilities</i>	-	54,706
 <i>Fund balances</i>		
Fund Balance:		
Nonspendable	-	5,941
Restricted for:		
General Fund	-	-
Special revenue	-	58,777
Capital projects	-	-
Debt service	-	-
Assigned	-	185,362
Unassigned	-	-
<i>Total fund balance</i>	-	250,080
 <i>Total liabilities and fund balance</i>	\$ -	\$ 304,786

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, 2011

	Food Service 21000	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	6,836	-	-	-
Federal grants	220,591	-	482,199	114,060
Miscellaneous	7,938	17,432	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>235,365</u>	<u>17,432</u>	<u>482,199</u>	<u>114,060</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	14,637	421,931	82,760
Support Services				
Students	-	-	-	31,300
Instruction	-	-	-	-
General Administration	-	-	16,356	-
School Administration	-	-	41,639	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	249,487	-	-	-
Community Service	-	-	2,273	-
Capital outlay	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>249,487</u>	<u>14,637</u>	<u>482,199</u>	<u>114,060</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,122)</u>	<u>2,795</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>(14,122)</u>	<u>2,795</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>115,248</u>	<u>10,492</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 101,126</u>	<u>\$ 13,287</u>	<u>\$ -</u>	<u>\$ -</u>

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

Discretionary IDEA-B 24107	Preschool IDEA-B 24109	IDEA-B Early Intervention Services 24112	IDEA-B "Risk Pool" 24120	Title I 1003g Grant 24124	Enhancing Education Thru Technology 24149
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	10,266	619	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>10,266</u>	<u>619</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	10,266	619	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.
 52

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, 2011

	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Food Service Equipment Assistance 24183	Title I Federal Stimulus 24201
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	52,586	-	15,220	109,586
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>52,586</u>	<u>-</u>	<u>15,220</u>	<u>109,586</u>
<i>Expenditures:</i>				
Current:				
Instruction	50,867	-	-	103,960
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,791	-	-	1,495
School Administration	-	-	-	2,738
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	15,220	-
Community Service	-	-	-	1,393
Capital outlay	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,658</u>	<u>-</u>	<u>15,220</u>	<u>109,586</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(72)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	72	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>72</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.

Entitlement IDEA-B Federal Stimulus 24206	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
103,473	5,572	14,155	45,567	169,281	46,797
-	-	-	-	-	-
-	-	-	-	-	-
<u>103,473</u>	<u>5,572</u>	<u>14,155</u>	<u>45,567</u>	<u>169,281</u>	<u>46,797</u>
91,996	983	11,239	15,319	83,363	-
11,477	4,589	-	-	-	8,050
-	-	-	-	45	-
-	-	364	539	22,377	623
-	-	-	-	21	-
-	-	-	-	-	-
-	-	-	-	10,944	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,552	-	6,817	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>103,473</u>	<u>5,572</u>	<u>14,155</u>	<u>15,858</u>	<u>123,567</u>	<u>8,673</u>
-	-	-	29,709	45,714	38,124
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	29,709	45,714	38,124
-	-	-	5,337	4,074	8,780
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,046</u>	<u>\$ 49,788</u>	<u>\$ 46,904</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, 2011

	Indian Ed Formula Grant 25184	Special Projects Demonstration USDE 25194	SEG Federal Stimulus 25250	Library GO Bonds 27105
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	7,137
Federal grants	43,860	296,377	43,806	-
Miscellaneous	-	349	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>43,860</u>	<u>296,726</u>	<u>43,806</u>	<u>7,137</u>
<i>Expenditures:</i>				
Current:				
Instruction	42,686	229,875	21,828	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	6,327
General Administration	1,174	10,449	22,111	-
School Administration	-	56,373	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	29	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service - Principal	-	-	-	-
Debt service - Interest	-	-	-	-
<i>Total expenditures</i>	<u>43,860</u>	<u>296,726</u>	<u>43,939</u>	<u>6,327</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(133)</u>	<u>810</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	133	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>133</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(810)</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.

Technology for Education PED 27117	Pre K Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Kindergarten Three Plus 27166	After School Enrichment Program 27168
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	34,626	-	4,710	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	34,626	-	4,710	-	-
-	30,166	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,584	-	-	-	-
-	-	-	-	-	-
-	-	-	4,710	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	34,750	-	4,710	-	-
-	(124)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(124)	-	-	-	-
3,162	-	197	-	393	301
\$ 3,162	\$ (124)	\$ 197	\$ -	\$ 393	\$ 301

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

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STATE OF NEW MEXICO Statement B-2
MAGDALENA MUNICIPAL SCHOOL DISTRICT (Page 4 of 4)
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2011

	Libraries SB301 GO Bonds 27170	Total
<i>Revenues:</i>		
Property taxes	\$ -	\$ -
State grants	3,965	57,274
Federal grants	-	1,774,015
Miscellaneous	-	25,719
Interest	-	-
<i>Total revenues</i>	3,965	1,857,008
 <i>Expenditures:</i>		
Current:		
Instruction	-	1,212,495
Support Services		
Students	-	55,416
Instruction	-	6,372
General Administration	-	77,279
School Administration	-	100,771
Central Services	-	-
Operation & Maintenance of Plant	-	-
Student Transportation	-	15,557
Other Support Services	-	-
Food Services Operations	-	269,417
Community Service	-	13,035
Capital outlay	-	-
Debt service - Principal	-	-
Debt service - Interest	-	-
<i>Total expenditures</i>	-	1,750,342
<i>Excess (deficiency) of revenues over (under) expenditures</i>	3,965	106,666
 <i>Other financing sources (uses):</i>		
Operating transfers	-	205
Proceeds from bond issues	-	-
<i>Total other financing sources (uses)</i>	-	205
 <i>Net changes in fund balances</i>	3,965	106,871
<i>Fund balances - beginning of year</i>	(3,965)	143,209
<i>Fund balances - end of year</i>	\$ -	\$ 250,080

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

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STATE OF NEW MEXICO

Statement B-3

MAGDALENA MUNICIPAL SCHOOLS
FOOD SERVICE SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	9,704	9,704
Federal grants	162,148	180,068	203,236	23,168
Miscellaneous	5,500	5,500	7,938	2,438
Interest	-	-	-	-
<i>Total revenues</i>	<u>167,648</u>	<u>185,568</u>	<u>220,878</u>	<u>35,310</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	237,957	255,877	239,594	16,283
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>237,957</u>	<u>255,877</u>	<u>239,594</u>	<u>16,283</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(70,309)</u>	<u>(70,309)</u>	<u>(18,716)</u>	<u>51,593</u>
<i>Other financing sources (uses):</i>				
Designated cash	70,309	70,309	-	(70,309)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>70,309</u>	<u>70,309</u>	<u>-</u>	<u>(70,309)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(18,716)</u>	<u>(18,716)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>103,492</u>	<u>103,492</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,776</u>	<u>\$ 84,776</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			14,487	
Adjustments to expenditures			(9,893)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (14,122)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

MAGDALENA MUNICIPAL SCHOOLS
ATHLETICS SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	15,000	15,000	17,432	2,432
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>17,432</u>	<u>2,432</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	23,500	23,500	14,637	8,863
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>23,500</u>	<u>23,500</u>	<u>14,637</u>	<u>8,863</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(8,500)</u>	<u>(8,500)</u>	<u>2,795</u>	<u>11,295</u>
<i>Other financing sources (uses):</i>				
Designated cash	8,500	8,500	-	(8,500)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>(8,500)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,795</u>	<u>2,795</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,492</u>	<u>10,492</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,287</u>	<u>\$ 13,287</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>\$ 2,795</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	495,592	591,066	482,626	(108,440)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>495,592</u>	<u>591,066</u>	<u>482,626</u>	<u>(108,440)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	423,184	518,158	421,931	96,227
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	17,452	17,452	16,356	1,096
School Administration	50,000	50,500	41,639	8,861
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	4,956	4,956	2,273	2,683
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>495,592</u>	<u>591,066</u>	<u>482,199</u>	<u>108,867</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>427</u>	<u>427</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>427</u>	<u>427</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,054)</u>	<u>(3,054)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,627)</u>	<u>\$ (2,627)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(427)	
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
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, 2011

Statement B-6

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	138,674	120,117	(18,557)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>138,674</u>	<u>120,117</u>	<u>(18,557)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	99,611	82,760	16,851
Support Services				
Students	-	39,063	31,300	7,763
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>138,674</u>	<u>114,060</u>	<u>24,614</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,057</u>	<u>6,057</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>6,057</u>	<u>6,057</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,823)</u>	<u>(6,823)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (766)</u>	<u>\$ (766)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(6,057)	
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

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, 2011

	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>(167)</u>	<u>(167)</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			-	
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
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, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	11,466	8,910	(2,556)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>11,466</u>	<u>8,910</u>	<u>(2,556)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	11,466	10,266	1,200
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>11,466</u>	<u>10,266</u>	<u>1,200</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,356)</u>	<u>(1,356)</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>(1,356)</u>	<u>(1,356)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,859)</u>	<u>(8,859)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,215)</u>	<u>\$ (10,215)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,356	
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

IDEA-B EARLY INTERVENTION 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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	21,235	619	(20,616)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>21,235</u>	<u>619</u>	<u>(20,616)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	10,000	619	9,381
Support Services				
Students	-	11,235	-	11,235
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>21,235</u>	<u>619</u>	<u>20,616</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-10

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,236	67	(1,169)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,236</u>	<u>67</u>	<u>(1,169)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	1,236	-	1,236
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>1,236</u>	<u>-</u>	<u>1,236</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>(67)</u>	<u>(67)</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			(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
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, 2011

Statement B-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	566	566
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	566	566
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	-	-	566	566
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	566	566
<i>Fund balances - beginning of year</i>	-	-	(566)	(566)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(566)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses)</i>			-	
<i>over expenditures (GAAP Basis)</i>			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	25,681	25,681
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>25,681</u>	<u>25,681</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>25,681</u>	<u>25,681</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>25,681</u>	<u>25,681</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(25,681)</u>	<u>(25,681)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(25,681)	
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

TEACHER/PRINCIPAL TRAINING AND 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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	73,048	73,048	85,696	12,648
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>73,048</u>	<u>73,048</u>	<u>85,696</u>	<u>12,648</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	70,475	70,475	50,867	19,608
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,573	2,573	1,791	782
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>73,048</u>	<u>73,048</u>	<u>52,658</u>	<u>20,390</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>33,038</u>	<u>33,038</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	72	72
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>33,110</u>	<u>33,110</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(33,110)</u>	<u>(33,110)</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			(33,110)	
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

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, 2011

	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>618</u>	<u>618</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			-	
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

FOOD SERVICE EQUIPMENT ASSISTANCE 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, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	15,220	15,220	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,220</u>	<u>15,220</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	-	15,220	15,220	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>15,220</u>	<u>15,220</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-16

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	125,000	109,586	182,624	73,038
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>125,000</u>	<u>109,586</u>	<u>182,624</u>	<u>73,038</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	116,655	103,960	103,960	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	3,496	1,495	1,495	-
School Administration	3,000	2,738	2,738	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	1,849	1,393	1,393	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>125,000</u>	<u>109,586</u>	<u>109,586</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>73,038</u>	<u>73,038</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>73,038</u>	<u>73,038</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(73,038)</u>	<u>(73,038)</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			(73,038)	
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

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	104,776	103,473	84,242	(19,231)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>104,776</u>	<u>103,473</u>	<u>84,242</u>	<u>(19,231)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	93,299	91,996	91,996	-
Support Services				
Students	11,477	11,477	11,477	-
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>104,776</u>	<u>103,473</u>	<u>103,473</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,231)</u>	<u>(19,231)</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>(19,231)</u>	<u>(19,231)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>102</u>	<u>102</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,129)</u>	<u>\$ (19,129)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			19,231	
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

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	5,674	5,572	4,281	(1,291)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,674</u>	<u>5,572</u>	<u>4,281</u>	<u>(1,291)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,674	983	983	-
Support Services				
Students	-	4,589	4,589	-
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>5,674</u>	<u>5,572</u>	<u>5,572</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,291)</u>	<u>(1,291)</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>(1,291)</u>	<u>(1,291)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(140)</u>	<u>(140)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,431)</u>	<u>\$ (1,431)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,291	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

MAGDALENA MUNICIPAL SCHOOLS

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	14,043	14,155	13,582	(573)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>14,043</u>	<u>14,155</u>	<u>13,582</u>	<u>(573)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	11,239	11,239	11,239	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	364	364	364	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	2,440	2,552	2,552	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,043</u>	<u>14,155</u>	<u>14,155</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(573)</u>	<u>(573)</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>(573)</u>	<u>(573)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,498)</u>	<u>(6,498)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,071)</u>	<u>\$ (7,071)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			573	
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-20

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	36,900	45,674	45,567	(107)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>36,900</u>	<u>45,674</u>	<u>45,567</u>	<u>(107)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	41,173	49,111	15,319	33,792
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	957	1,793	539	1,254
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>42,130</u>	<u>50,904</u>	<u>15,858</u>	<u>35,046</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,230)</u>	<u>(5,230)</u>	<u>29,709</u>	<u>34,939</u>
<i>Other financing sources (uses):</i>				
Designated cash	5,230	5,230	-	(5,230)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,230</u>	<u>5,230</u>	<u>-</u>	<u>(5,230)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>29,709</u>	<u>29,709</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,337</u>	<u>5,337</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,046</u>	<u>\$ 35,046</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>\$ 29,709</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	131,909	160,886	169,281	8,395
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>131,909</u>	<u>160,886</u>	<u>169,281</u>	<u>8,395</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	114,836	125,432	83,363	42,069
Support Services				
Students	-	-	-	-
Instruction	5,000	5,000	45	4,955
General Administration	21,724	25,139	22,377	2,762
School Administration	-	22	21	1
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	10,944	10,944	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	2,818	6,818	6,817	1
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>144,378</u>	<u>173,355</u>	<u>123,567</u>	<u>49,788</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(12,469)</u>	<u>(12,469)</u>	<u>45,714</u>	<u>58,183</u>
<i>Other financing sources (uses):</i>				
Designated cash	12,469	12,469	-	(12,469)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>12,469</u>	<u>12,469</u>	<u>-</u>	<u>(12,469)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>45,714</u>	<u>45,714</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,074</u>	<u>4,074</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,788</u>	<u>\$ 49,788</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>\$ 45,714</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	35,291	46,797	11,506
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>35,291</u>	<u>46,797</u>	<u>11,506</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	42,655	8,050	34,605
Instruction	-	-	-	-
General Administration	-	1,415	623	792
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>44,070</u>	<u>8,673</u>	<u>35,397</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(8,779)</u>	<u>38,124</u>	<u>46,903</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	8,779	-	(8,779)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>8,779</u>	<u>-</u>	<u>(8,779)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>38,124</u>	<u>38,124</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,780</u>	<u>8,780</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,904</u>	<u>\$ 46,904</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>\$ 38,124</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	45,286	43,860	43,860	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,286</u>	<u>43,860</u>	<u>43,860</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	44,112	42,686	42,686	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,174	1,174	1,174	-
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>45,286</u>	<u>43,860</u>	<u>43,860</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>2,721</u>	<u>2,721</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			-	
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

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	296,727	279,069	(17,658)
Miscellaneous	-	-	349	349
Interest	-	-	-	-
<i>Total revenues</i>	-	296,727	279,418	(17,309)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	229,875	229,875	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	10,449	10,449	-
School Administration	-	56,403	56,373	30
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	29	(29)
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	296,727	296,726	1
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(17,308)	(17,308)
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	(17,308)	(17,308)
<i>Fund balances - beginning of year</i>	-	-	17,658	17,658
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 350	\$ 350
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			17,308	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	45,257	45,494	62,167	16,673
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,257</u>	<u>45,494</u>	<u>62,167</u>	<u>16,673</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	14,271	22,431	21,828	603
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	30,986	23,063	22,111	952
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>45,257</u>	<u>45,494</u>	<u>43,939</u>	<u>1,555</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,228</u>	<u>18,228</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	133	133
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>133</u>	<u>133</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,361</u>	<u>18,361</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(24,451)</u>	<u>(24,451)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,090)</u>	<u>\$ (6,090)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(18,361)	
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-26

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	8,849	3,740	(5,109)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,849</u>	<u>3,740</u>	<u>(5,109)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	8,849	6,327	2,522
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>8,849</u>	<u>6,327</u>	<u>2,522</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,587)</u>	<u>(2,587)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,587)</u>	<u>(2,587)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(810)</u>	<u>(810)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,397)</u>	<u>\$ (3,397)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,397	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 810</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2011

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,162</u>	<u>3,162</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>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	34,750	41,635	6,885
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,750</u>	<u>41,635</u>	<u>6,885</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	30,166	30,166	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	4,584	4,584	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,750</u>	<u>34,750</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,885</u>	<u>6,885</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>6,885</u>	<u>6,885</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(7,009)</u>	<u>(7,009)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (124)</u>	<u>\$ (124)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(7,009)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (124)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

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, 2011

	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>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-30

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	4,710	4,710	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,710</u>	<u>4,710</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	-	4,710	4,710	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,710</u>	<u>4,710</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-31

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, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
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>393</u>	<u>393</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>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

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, 2011

	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-33

MAGDALENA MUNICIPAL SCHOOLS

LIBRARIES SB301 - GO BONDS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	3,965	3,965
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	3,965	3,965
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	3,965	3,965
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	3,965	3,965
<i>Fund balances - beginning of year</i>	-	-	(3,965)	(3,965)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 3,965	

The accompanying notes are an integral part of these financial statements

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CAPITAL PROJECTS FUNDS

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

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).

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2011

Statement C-1

	Special Capital Outlay - Local 31300	Capital Improvements SB-9 31700	Total
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ -	\$ 55,256	\$ 55,256
Accounts receivable			
Taxes	-	-	-
Due from other governments	8,930	-	8,930
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	8,930	55,256	64,186
<i>Total assets</i>	8,930	55,256	64,186
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	-	4,981	4,981
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	14,919	-	14,919
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	-
	14,919	4,981	19,900
<i>Total liabilities</i>	14,919	4,981	19,900
<i>Fund balances</i>			
Fund Balance:			
Nonspendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special revenue	-	-	-
Capital projects	(5,989)	50,275	44,286
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	(5,989)	50,275	44,286
<i>Total fund balance</i>	(5,989)	50,275	44,286
<i>Total liabilities and fund balance</i>	\$ 8,930	\$ 55,256	\$ 64,186

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

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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, 2011

	Capital		Total
	Special Capital Outlay - Local 31300	Improvements SB-9 31700	
<i>Revenues:</i>			
Property taxes	\$ -	\$ 40,524	\$ 40,524
State grants	-	138,808	138,808
Federal grants	-	-	-
Miscellaneous	8,930	-	8,930
Interest	-	-	-
<i>Total revenues</i>	<u>8,930</u>	<u>179,332</u>	<u>188,262</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	405	405
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	30,920	134,725	165,645
Debt service - Principal	-	-	-
Debt service - Interest	-	-	-
<i>Total expenditures</i>	<u>30,920</u>	<u>135,130</u>	<u>166,050</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(21,990)</u>	<u>44,202</u>	<u>22,212</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(21,990)</u>	<u>44,202</u>	<u>22,212</u>
<i>Fund balances - beginning of year</i>	<u>16,001</u>	<u>6,073</u>	<u>22,074</u>
<i>Fund balances - end of year</i>	<u>\$ (5,989)</u>	<u>\$ 50,275</u>	<u>\$ 44,286</u>

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

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STATE OF NEW MEXICO

Statement C-3

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, 2011

	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>				
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	-	-	-	-
Bond premiums	-	-	-	-
Proceeds from bond issues	-	-	1,168,798	1,168,798
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1,168,798</u>	<u>1,168,798</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,168,798</u>	<u>1,168,798</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>770</u>	<u>770</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,169,568</u>	<u>\$ 1,169,568</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			44,333	
Adjustments to expenditures			(142,540)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,070,591</u>	

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, 2011

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	30,920	-	(30,920)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,920</u>	<u>-</u>	<u>(30,920)</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	-	30,920	30,920	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>30,920</u>	<u>30,920</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(30,920)</u>	<u>(30,920)</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>(30,920)</u>	<u>(30,920)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,001</u>	<u>16,001</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,919)</u>	<u>\$ (14,919)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			8,930	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (21,990)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-5

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, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 45,352	\$ 45,352	\$ 40,524	\$ (4,828)
State grants	-	126,273	138,808	12,535
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,352</u>	<u>171,625</u>	<u>179,332</u>	<u>7,707</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	453	453	405	48
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	44,899	171,172	132,017	39,155
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>45,352</u>	<u>171,625</u>	<u>132,422</u>	<u>39,203</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>46,910</u>	<u>46,910</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>46,910</u>	<u>46,910</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,346</u>	<u>8,346</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,256</u>	<u>\$ 55,256</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(2,708)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 44,202</u>	

The accompanying notes are an integral part of these financial statements

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DEBT SERVICE FUNDS

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DEBT SERVICE 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.

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2011

Statement D-1

	Debt Service 41000	Total
ASSETS		
<i>Current Assets</i>		
Cash and temporary investments	\$ 68,022	\$ 68,022
Accounts receivable		
Taxes	-	-
Due from other governments	-	-
Interfund receivables	-	-
Other	-	-
Inventory	-	-
	68,022	68,022
<i>Total assets</i>	68,022	68,022
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:		
Nonspendable	-	-
Restricted for:		
General Fund	-	-
Special revenue	-	-
Capital projects	-	-
Debt service	66,735	66,735
Assigned	1,287	1,287
Unassigned	-	-
	68,022	68,022
<i>Total fund balance</i>	68,022	68,022
<i>Total liabilities and fund balance</i>	\$ 68,022	\$ 68,022

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

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STATE OF NEW MEXICO

Statement D-2

MAGDALENA MUNICIPAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDING JUNE 30, 2011

	Debt Service 41000	Total
<i>Revenues:</i>	<u>41000</u>	<u>Total</u>
Property taxes	\$ 83,244	\$ 83,244
State grants	-	-
Federal grants	-	-
Miscellaneous	-	-
Interest	-	-
<i>Total revenues</i>	<u>83,244</u>	<u>83,244</u>
<i>Expenditures:</i>		
Current:		
Instruction	-	-
Support Services		
Students	-	-
Instruction	-	-
General Administration	832	832
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	15,607	15,607
<i>Total expenditures</i>	<u>76,439</u>	<u>76,439</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>6,805</u>	<u>6,805</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>6,805</u>	<u>6,805</u>
<i>Fund balances - beginning of year</i>	<u>61,217</u>	<u>61,217</u>
<i>Fund balances - end of year</i>	<u>\$ 68,022</u>	<u>\$ 68,022</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DEBT SERVICE FUND

Statement D-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2011

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 75,605	\$ 75,605	\$ 83,244	\$ 7,639
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	75,605	75,605	83,244	7,639
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	755	755	832	(77)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	67,356	67,356	-	67,356
Principal	60,000	60,000	60,000	-
Interest	15,606	15,606	15,607	(1)
<i>Total expenditures</i>	143,717	143,717	76,439	67,278
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(68,112)	(68,112)	6,805	74,917
<i>Other financing sources (uses):</i>				
Designated cash	68,112	68,112	-	(68,112)
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	68,112	68,112	-	(68,112)
<i>Net changes in fund balances</i>	-	-	6,805	6,805
<i>Fund balances - beginning of year</i>	-	-	61,217	61,217
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 68,022	\$ 68,022
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 6,805	

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011

Schedule I
(Page 1 of 3)

	Balance June 30, 2010	Additions	Adjustments	Deletions	Balance June 30, 2011
Administration Miscellaneous	\$ 519	\$ 9,878	\$ 2,134	\$ 7,966	\$ 4,565
Yearbook	3,802	3,906	-	4,165	3,543
Elementary Fund	-	9,202	(56)	7,878	1,268
FFA	3,818	3,015	-	3,959	2,874
Flower Fund	173	310	-	475	8
Football	496	80	-	-	576
Library	3,679	2,617	-	4,801	1,495
Science Club	338	-	(338)	-	-
Native American Club - HS	973	231	-	374	830
Native American Club - MS	569	406	-	160	815
Native American Club - ES	-	298	-	212	86
SPED - Mid School	377	-	(377)	-	-
SPED - Elementary - RM	-	120	-	-	120
Volleyball	1,140	1,847	-	2,007	980
Student Council - Mid School	391	-	-	-	391
Student Council - High School	1,260	2,787	-	3,160	887
Athletic Pepsi Commission Fund	515	638	-	1,153	-
Athletic Concession Fund	22,028	35,968	-	39,961	18,035
HS Boys Basketball	-	13,472	50	11,433	2,089
Class of 2009	215	-	(215)	-	-
Class of 2010	264	-	(264)	-	-
Class of 2011	1,180	621	-	1,779	22

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, 2011

Schedule I
(Page 2 of 3)

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Class of 2012	1,999	2,037	-	2,449	1,587
Class of 2013	521	1,236	-	827	930
Reading is Fundamental	-	426	-	-	426
Cheerleading	363	3,362	-	2,314	1,411
High School	1,623	1,505	-	531	2,597
MMS Scholarship Fund	3,047	800	50	1,100	2,797
HS Girls Basketball	4,204	2,970	150	5,171	2,153
Renaissance Program	6,893	4,153	(590)	6,929	3,527
Elementary Renaissance	1,061	2,816	-	3,330	547
Educators Scholarship	4,480	4,745	-	4,000	5,225
Art Club	124	-	(124)	-	-
Close-Up	299	8,836	-	9,135	-
Clint Benjamin Memorial	876	3,254	-	3,000	1,130
Auto Shop	18,009	41,549	-	33,496	26,062
Math Grant	43	-	(43)	-	-
TSA	1,142	2,448	(668)	732	2,190
Board of Education	2,274	2,805	-	3,600	1,479
Jay Apachito Scholarship	1,740	369	-	1,000	1,109
Eva Trujillo Scholarship	50	-	(50)	-	-
Insurance Benefits	147,562	686,193	-	738,992	94,763
Federal / State Taxes	-	-	-	-	-

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, 2011

Schedule I
(Page 3 of 3)

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Mid / High Incentives	90	983	-	-	1,073
Class of 2014	708	315	-	169	854
PBS	1,866	2,984	-	4,099	751
Pinon League	-	-	-	-	-
Letterman's Club	169	640	-	-	809
Spanish Club	712	1,084	-	864	932
Class of 2015	597	313	-	271	639
Department of Health Grant	-	-	-	-	-
Baseball	741	277	200	1,208	10
Boxtops for Education	174	137	-	-	311
National Honor Society	319	-	-	131	188
Class of 2016	195	258	-	-	453
Class of 2017	-	163	-	-	163
Auto Shop Scholarship	5,888	1,000	-	-	6,888
NRAO Science Donation	26	500	-	-	526
Track	709	470	141	343	977
Kindergarten	-	387	-	290	97
Rocket Club	-	1,032	-	689	343
Embroidery Class	-	600	-	311	289
Native Health Grant	808	-	-	-	808
Gear Up Scholarship	244,266	(26,375)	-	-	217,891
Total All Schools	<u>\$ 495,315</u>	<u>\$ 839,668</u>	<u>\$ -</u>	<u>\$ 914,464</u>	<u>\$ 420,519</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2011

Schedule II

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2011	Name and Location of Safekeeper
Wells Fargo Bank	CUSIP 31412FMNO FN #923865 5.50%, Due 4/1/37	\$ 22,632	Federal Reserve Bank
		<u>\$ 22,632</u>	

The accompanying notes are and integral part of these financial statements

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2011

Schedule III

Bank Account Type	Wells Fargo Bank	Totals
Checking - Clearing Account	\$ 1,956,330	\$ 1,956,330
Checking - Activity Account	222,484	222,484
Investment Account	217,891	217,891
Total On Deposit	2,396,705	2,396,705
Reconciling Items	(142,700)	(142,700)
Reconciled Balance June 30, 2011	<u>\$ 2,254,005</u>	<u>\$ 2,254,005</u>
Plus: Petty Cash		25
Less: Fiduciary Funds Cash		<u>(420,519)</u>
Cash per Government-wide Financial Statements		<u>\$ 1,833,511</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2011

	Operational 11000	Teachergage 12000	Transportation 13000	Instructional Materials 14000
Cash, June 30, 2010	\$ 470,975	\$ 2,368	\$ 5,680	\$ 1,478
Add:				
2010-11 revenues	4,583,841	-	293,317	16,884
Transfers from other funds	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	5,054,816	2,368	298,997	18,362
Less:				
2010-11 expenditures	(4,802,683)	(66)	(296,157)	(15,611)
Transfers to other funds	(5,279)	-	-	-
Loans to other funds	(170,931)	-	-	-
Prior year outstanding loans	219,306	-	-	-
Cash, June 30, 2011	<u>\$ 295,229</u>	<u>\$ 2,302</u>	<u>\$ 2,840</u>	<u>\$ 2,751</u>

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

Food Service 21000	Athletics 22000	Student Activities 23000	Gear-Up Scholarship 23000
\$ 103,492	\$ 10,492	\$ 251,049	\$ 244,266
220,878	17,432	866,043	(26,375)
-	-	-	-
-	-	-	-
324,370	27,924	1,117,092	217,891
(239,594)	(14,637)	(914,464)	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 84,776</u>	<u>\$ 13,287</u>	<u>\$ 202,628</u>	<u>\$ 217,891</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2011

	Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 27000	Bond Building 31100
Cash, June 30, 2010	\$ 720	\$ 38,570	\$ 4,053	\$ 770
Add:				
2010-11 revenues	1,030,643	743,028	54,050	1,168,798
Transfers from other funds	-	-	-	-
Loans from other funds	99,111	53,380	3,521	-
Total cash available	1,130,474	834,978	61,624	1,169,568
Less:				
2010-11 expenditures	(958,429)	(669,353)	(45,787)	-
Transfers to other funds	5,146	133	-	-
Loans to other funds	-	-	-	-
Prior year outstanding loans	(176,573)	(30,949)	(11,784)	-
Cash, June 30, 2011	<u>\$ 618</u>	<u>\$ 134,809</u>	<u>\$ 4,053</u>	<u>\$ 1,169,568</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
\$ 16,001	\$ 8,346	\$ 61,217	1,219,477
-	179,332	83,244	9,231,115
-	-	-	-
14,919	-	-	170,931
30,920	187,678	144,461	10,621,523
(30,920)	(132,422)	(76,439)	(8,196,562)
-	-	-	-
-	-	-	(170,931)
-	-	-	-
<u>\$ -</u>	<u>\$ 55,256</u>	<u>\$ 68,022</u>	<u>\$ 2,254,030</u>

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

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COMPLIANCE SECTION

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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, 2011, and have issued our report thereon dated November 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item FS 11-01.

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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 11-02 and FS 11-03.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the 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 2, 2011

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FEDERAL FINANCIAL ASSISTANCE

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Griego Professional Services, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector 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, 2011. 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, 2011.

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

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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 2, 2011

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Schedule V
(Page 1 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	\$ 482,199
IDEA B - Entitlement (1)	24106	84.027	114,060
IDEA B - Pre School (1)	24109	84.173	10,266
IDEA-B Early Intervention Services (1)	24112	84.027	619
Title IIA Teacher / Principal Training	24154	84.367	52,658
Title I-School Improvement (1)	24162	84.010	64,776
Title I - IASA Federal Stimulus (1)	24201	84.389	109,586
IDEA B - Entitlement Federal Stimulus (1)	24206	84.392	103,473
IDEA B - Preschool Federal Stimulus (1)	24209	84.391	5,572
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>943,209</u>
<i>Direct U.S. Department of Education</i>			
Impact Aid (1)	11000	84.041	691,034
Impact Aid - Special Education (1)	25145	84.041	15,858
Impact Aid - Indian Education (1)	25147	84.041	123,567
English Language Acquisition	25153	84.365A	8,673
Indian Education Formula Grant	25184	84.060A	43,860
Special Projects Demonstration USDE (1)	25194	84.299	296,726
SEG-Federal Stimulus	25250	84.394	43,939
Education Jobs Fund - Federal Stimulus (1)	25255	84.410	122,575
<i>Subtotal - Direct U.S. Department of Education</i>			<u>1,346,232</u>
Total U.S. Department of Education			<u>2,289,441</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, 2011

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>75,355</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>75,355</u>
<i>Passthrough State of New Mexico Department of Education</i>			
Food Service Equipment Assistance	24183	10.579	15,220
School Lunch Program	21000	10.555	<u>206,809</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>222,029</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	<u>13,782</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>13,782</u>
Total U.S. Department of Agriculture			<u>311,166</u>
U.S. Department of Interior			
<i>Passthrough State of New Mexico Department of Education</i>			
Johnson O'Malley	25131	15.130	<u>14,155</u>
Total U.S. Department of Interior			<u>14,155</u>
Total Federal Financial Assistance			<u><u>\$ 2,614,762</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, 2011

Schedule V
(Page 3 of 3)

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

2. Subrecipients

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

3. Non Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2011 was \$13,782 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,614,762
Total expenditures funded by other sources	<u>5,733,294</u>
Total expenditures	<u><u>8,348,056</u></u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

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:

CFDA Number	Federal Program
84.041	Impact Aid
84.041	Impact Aid Special Education
84.041	Impact Aid Indian Education
84.010	Title I
84.010	Title I School Improvement
84.389	Title I Federal Stimulus
84.027	Entitlement IDEA-B
84.027	IDEA-B Early Intervention Services
84.173	Preschool IDEA-B
84.391	Preschool IDEA-B Federal Stimulus
84.392	Entitlement IDEA-B Federal Stimulus
84.299	Special Projects Demonstration USDE
84.410	Education Jobs Fund

- | | |
|---|-----------|
| 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, 2011

Section II – Financial Statement Findings

FS 11-01— Credit Cards – Significant deficiency

Criteria: Laws of 2010 2nd Special Session, Chapter 6, Section 3, Subsection K states, “Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9(1) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2010 may be expended for payment of agency-issued credit card invoices.”

Condition: During our testwork of credit card usage and transactions, we discovered open charge accounts where balances can be carried forward and can incur penalties and interest. These accounts were utilized by the District during the fiscal year. Such accounts are similar to a credit card and are not allowed

Cause: The administration of the District was utilizing credit cards in general operation with vendors.

Effect: This gives the account operators direct access to public funds with the possibility of incurring unauthorized charges, which negates cash controls and is not good accounting practice.

Recommendation: The District should cancel the credit cards and only utilize procurement cards and other credit cards which are authorized by Section 6-5-9(1) NMSA 1978.

Management’s Response: The District disagrees with the finding of credit card/revolving account usage for the following reasons.

1. The language stated as the basis for the finding is not part of statute or code but rather language in legislation of another bill.
2. The district has a mandate to be fiscally responsible for all public monies which we interpret as procuring goods and services in the most cost efficient and lowest cost possible as referenced by the state procurement code. Forgoing the use of credit cards and paying higher costs for goods and services does not, in our mind, constitute reasonable and efficient use of public funds.
3. We have a local board policy which allows us to use approved credit cards.
4. The language of the cited legislation refers to cards on revolving accounts which accrue late charges or finance charges. The District has not expended funds for late charges or finance charges.

FS 11-02: Stale Dated Checks – Control deficiency

Criteria: According to 6.20.2.14 K, all bank accounts shall be reconciled on a monthly basis. Part of this process should include review of reconciling items such as outstanding checks, deposits in transit and other reconciling items. Items older than three months should be investigated and items older than one year should be removed from the reconciliation. The District may be required to turn these funds over to the State’s Unclaimed Property Division.

Condition: During our testwork of cash, we noted that one bank account had three stale dated checks (checks outstanding longer than one year) totaling \$980.18.

Cause: The District has been reconciling bank accounts but has not been taking appropriate action with regards to items older than one year.

Effect: The District’s bank reconciliations are more time consuming to prepare when there are stale dated items. Also, the reconciliations are not as accurate as they would be if the stale dated items were removed. The District would have a more accurate picture of their cash balances on a monthly basis.

Auditor’s Recommendation: The District should review bank reconciliations more closely and investigate items outstanding for more than three months. Items included on bank reconciliations that are older than one year should be removed and, as mentioned above, the funds may be required to be turned over to the State’s Unclaimed Property Division.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Management's Response: The Magdalena Municipal School District will ensure that all stale dated checks are investigated after three months and removed from the reconciliation after one year.

FS 11-03 Exceeded Budget Authority – Control deficiency

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

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

Nonmajor Funds:	
Debt Service – Support Services	\$ <u>77</u>
Total	\$ <u>77</u>

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

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

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

Management Response: The Magdalena Municipal School District will ensure that all Budget Adjustment Requests are completed in a timely manner so that expenditures are not made without proper budget authority.

Section III – Federal Award Findings

None.

Section IV – Prior Year Audit Findings

FS 08-01 – Payroll Documentation – *Resolved*

FS 09-01 – Cash Disbursements – *Resolved*

Section V – Other Disclosures

Auditor Prepared Financials

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

Exit Conference

The contents of this report were discussed on November 2, 2011. The following individuals were in attendance.

Magdalena Municipal School District
Mike Chambers, Superintendent
R. Dorothy Zamora, Business Manager
Keri James, Federal & State Program Coordinator
Barbara Gordon, Board
Randell Major, Board

Griego Professional Services, LLC
Monica Yaple, CPA