

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2012



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INTRODUCTORY SECTION

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ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012
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**OFFICIAL ROSTER
JUNE 30, 2012**

<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, 2012, 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, 2012, 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, 2012, 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, 2012, 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 12, 2012 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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Management has omitted *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Other Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 12, 2012

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

Exhibit A-1
(Page 1 of 2)

		<u>Governmental Activities</u>
ASSETS		
Current assets		
Cash and temporary investments	\$	278,362
Receivables (net of allowance for uncollectible)		315,903
Inventory		<u>5,537</u>
Total current assets		<u>599,802</u>
Noncurrent assets		
Bond issuance costs (net of amortization of \$81,736)		88,430
Capital assets (net of accumulated depreciation):		
Land		69,672
Land improvements		1,689,447
Buildings and building improvements		14,735,355
Furniture, fixtures and equipment		1,748,947
Less: accumulated depreciation		<u>(6,373,883)</u>
Total noncurrent assets		<u>11,957,968</u>
Total assets	\$	<u><u>12,557,770</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

Exhibit A-1
(Page 2 of 2)

		<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$	7,782
Accrued payroll		40,763
Accrued compensated absences		163,387
Accrued interest		24,122
Deferred Revenue		8,925
Current portion of long-term debt		75,000
Total current liabilities		<u>319,979</u>
Noncurrent liabilities:		
Bond underwriter premium (net of amortization of \$115)		10,963
Bonds due in more than one year		1,625,000
Total noncurrent liabilities		<u>1,635,963</u>
Total liabilities		1,955,942
Invested in capital assets, net of related debt		10,169,538
Restricted for:		
Debt service		88,629
Capital projects		40,790
Unrestricted		<u>302,871</u>
Total net assets		<u>10,601,828</u>
Total liabilities and net assets	\$	<u><u>12,557,770</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, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Primary Government		
Governmental activities:		
Instruction	\$ 2,836,676	\$ 25,640
Support services:		
Students	615,190	-
Instruction	145,598	-
General Administration	329,309	-
School Administration	428,282	-
Central Services	126,167	-
Operation & Maintenance of Plant	2,197,283	-
Student Transportation	121,545	-
Food Services Operation	351,120	8,697
Community Services	3,795	-
Other Support Services	8,114	-
Depreciation - unallocated	6,901	-
Interest on long-term debt	73,551	-
	<u>\$ 7,243,531</u>	<u>\$ 34,337</u>
Total Primary Government	<u>\$ 7,243,531</u>	<u>\$ 34,337</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
\$ 2,054,150	\$ -		\$ (756,886)
-	-		(615,190)
2,511	-		(143,087)
-	-		(329,309)
-	-		(428,282)
-	-		(126,167)
-	104,374		(2,092,909)
260,032	-		138,487
208,376	-		(134,047)
-	-		(3,795)
-	-		(8,114)
-	-		(6,901)
-	-		(73,551)
<u>\$ 2,525,069</u>	<u>\$ 104,374</u>		<u>\$ (4,579,751)</u>

General Revenues:

Property taxes:	
Levied for general purposes	\$ 8,004
Levied for debt service	150,788
Levied for capital projects	52,324
State Equalization Guarantee	3,656,523
Interest	23
Miscellaneous	17,885
	<u>3,885,547</u>
Total general revenues	<u>3,885,547</u>
Change in net assets	(694,204)
Net assets - beginning	<u>11,296,032</u>
Net assets - ending	<u>\$ 10,601,828</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, 2012

	General 11000	Teachergage 12000	Transportation 13000	Instructional Materials 14000	Food Service 21000
ASSETS					
<i>Current Assets</i>					
Cash and temporary investments	\$ 48,764	\$ 2,046	\$ -	\$ 5,622	\$ 68,347
Accounts receivable					
Taxes	271	-	-	-	-
Due from other governments	-	-	-	-	2,255
Interfund receivables	260,264	-	-	-	-
Inventory	-	-	-	-	5,537
<i>Total assets</i>	<u>309,299</u>	<u>2,046</u>	<u>-</u>	<u>5,622</u>	<u>76,139</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	7,782	-	-	-	-
Accrued payroll liabilities	28,008	-	4,081	-	428
Accrued compensated absences	-	-	-	-	-
Interfund payables	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-
<i>Total liabilities</i>	<u>35,790</u>	<u>-</u>	<u>4,081</u>	<u>-</u>	<u>428</u>
<i>Fund balances</i>					
Fund Balance:					
Nonspendable	-	-	-	-	5,537
Restricted for:					
General Fund	-	2,046	-	5,622	-
Special revenue	-	-	-	-	24,243
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	273,509	-	-	-	45,931
Unassigned	-	-	(4,081)	-	-
<i>Total fund balance</i>	<u>273,509</u>	<u>2,046</u>	<u>(4,081)</u>	<u>5,622</u>	<u>75,711</u>
<i>Total liabilities and fund balance</i>	<u>\$ 309,299</u>	<u>\$ 2,046</u>	<u>\$ -</u>	<u>\$ 5,622</u>	<u>\$ 76,139</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	Entitlement IDEA-B 24106	Teacher/Principal Training & Recruiting 24154	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ -	\$ 3,386	\$ 83,482	\$ 66,715	\$ 278,362
-	-	-	-	5,147	1,768	7,186
133,541	37,238	34,989	-	-	100,694	308,717
-	-	-	-	-	-	260,264
-	-	-	-	-	-	5,537
<u>133,541</u>	<u>37,238</u>	<u>34,989</u>	<u>3,386</u>	<u>88,629</u>	<u>169,177</u>	<u>860,066</u>
-	-	-	-	-	-	7,782
1,694	4,164	-	-	-	2,388	40,763
-	-	-	-	-	-	-
131,634	33,074	34,989	-	-	60,567	260,264
-	-	-	-	-	-	-
213	-	-	-	-	8,712	8,925
<u>133,541</u>	<u>37,238</u>	<u>34,989</u>	<u>-</u>	<u>-</u>	<u>71,667</u>	<u>317,734</u>
-	-	-	-	-	-	5,537
-	-	-	-	-	-	7,668
-	-	-	-	-	106,716	130,959
-	-	-	3,386	-	6,944	10,330
-	-	-	-	88,629	-	88,629
-	-	-	-	-	19,322	338,762
-	-	-	-	-	(35,472)	(39,553)
-	-	-	3,386	88,629	97,510	542,332
<u>\$ 133,541</u>	<u>\$ 37,238</u>	<u>\$ 34,989</u>	<u>\$ 3,386</u>	<u>\$ 88,629</u>	<u>\$ 169,177</u>	<u>\$ 860,066</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, 2012

	Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 542,332
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,869,538
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	88,430
Bond underwriter premiums net of accumulated amortization	(10,963)
Accrued interest	(24,122)
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	(163,387)
General obligation bonds	(1,700,000)
Net Assets-total Governmental Activities	\$ 10,601,828

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, 2012

	Operational 11000	Teachergage 12000	Transportation 13000	Instructional Materials 14000	Food Service 21000
<i>Revenues:</i>					
Property taxes	\$ 8,004	\$ -	\$ -	\$ -	\$ -
State grants	3,656,523	-	267,103	16,270	2,255
Federal grants	825,029	-	-	-	206,121
Miscellaneous	11,896	-	-	-	-
Charges for services	4,749	-	-	-	8,697
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>4,506,201</u>	<u>-</u>	<u>267,103</u>	<u>16,270</u>	<u>217,073</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	2,611,182	-	-	13,399	-
Support Services					
Students	488,877	-	-	-	-
Instruction	114,339	-	-	-	-
General Administration	272,762	-	-	-	-
School Administration	337,500	-	-	-	-
Central Services	126,167	-	-	-	-
Operation & Maintenance of Plant	710,407	256	-	-	-
Student Transportation	-	-	274,024	-	-
Other Support Services	8,114	-	-	-	-
Food Services Operations	-	-	-	-	242,488
Community Service	-	-	-	-	-
Capital outlay	29,199	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>4,698,547</u>	<u>256</u>	<u>274,024</u>	<u>13,399</u>	<u>242,488</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(192,346)</u>	<u>(256)</u>	<u>(6,921)</u>	<u>2,871</u>	<u>(25,415)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
Bond underwriter premiums	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(192,346)	(256)	(6,921)	2,871	(25,415)
<i>Fund balances - beginning of year</i>	<u>465,855</u>	<u>2,302</u>	<u>2,840</u>	<u>2,751</u>	<u>101,126</u>
<i>Fund balances - end of year</i>	<u>\$ 273,509</u>	<u>\$ 2,046</u>	<u>\$ (4,081)</u>	<u>\$ 5,622</u>	<u>\$ 75,711</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	Entitlement IDEA-B 24106	Teacher/Principal Training & Recruiting 24154	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ -	\$ -	\$ 150,788	\$ 52,324	\$ 211,116
-	-	-	-	-	129,453	4,071,604
551,121	133,396	72,472	-	-	426,223	2,214,362
-	-	-	-	-	5,989	17,885
-	-	-	-	-	20,891	34,337
-	-	-	23	-	-	23
<u>551,121</u>	<u>133,396</u>	<u>72,472</u>	<u>23</u>	<u>150,788</u>	<u>634,880</u>	<u>6,549,327</u>
467,808	80,658	69,902	-	-	356,373	3,599,322
-	52,738	-	-	-	73,575	615,190
-	-	-	-	-	28,928	143,267
20,105	-	2,570	-	1,456	30,929	327,822
62,555	-	-	-	-	28,117	428,172
-	-	-	-	-	-	126,167
-	-	-	-	-	-	710,663
-	-	-	-	-	10,000	284,024
-	-	-	-	-	-	8,114
-	-	-	-	-	-	242,488
653	-	-	-	-	3,142	3,795
-	-	-	1,262,998	-	199,546	1,491,743
-	-	-	-	70,000	-	70,000
-	-	-	-	58,725	-	58,725
-	-	-	-	-	-	-
<u>551,121</u>	<u>133,396</u>	<u>72,472</u>	<u>1,262,998</u>	<u>130,181</u>	<u>730,610</u>	<u>8,109,492</u>
-	-	-	(1,262,975)	20,607	(95,730)	(1,560,165)
-	-	-	-	-	-	-
-	-	-	195,000	-	-	195,000
-	-	-	-	-	-	-
-	-	-	195,000	-	-	195,000
-	-	-	(1,067,975)	20,607	(95,730)	(1,365,165)
-	-	-	1,071,361	68,022	193,240	1,907,497
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,386</u>	<u>\$ 88,629</u>	<u>\$ 97,510</u>	<u>\$ 542,332</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, 2012

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	\$ (1,365,165)
<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	(170,591)
Capital Outlays	935,591
<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	30,483
Amortization of bond issuance costs	(10,351)
Bond underwriter premiums	-
Amortization of original issue premium	922
Increase in accrued interest payable	(14,826)
Increase in accrued compensated absences	24,733
Bond Proceeds	(195,000)
Principal payments on bonds	70,000
Change in Net Assets-total Governmental Activities	\$ (694,204)

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, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 8,370	\$ 8,370	\$ 7,733	\$ (637)
State grants	3,589,982	3,609,993	3,656,523	46,530
Federal grants	867,794	867,794	832,805	(34,989)
Miscellaneous	-	-	19,487	19,487
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,466,146</u>	<u>4,486,157</u>	<u>4,516,548</u>	<u>30,391</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,642,646	2,642,646	2,588,364	54,282
Support Services				
Students	608,108	578,909	488,877	90,032
Instruction	96,957	96,957	114,339	(17,382)
General Administration	304,750	304,750	272,762	31,988
School Administration	314,130	314,130	337,500	(23,370)
Central Services	142,531	142,531	126,167	16,364
Operation & Maintenance of Plant	713,191	733,202	708,358	24,844
Student Transportation	-	-	-	-
Other Support Services	6,877	6,877	8,114	(1,237)
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	29,199	29,199	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,829,190</u>	<u>4,849,201</u>	<u>4,673,680</u>	<u>175,521</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(363,044)</u>	<u>(363,044)</u>	<u>(157,132)</u>	<u>205,912</u>
<i>Other financing sources (uses):</i>				
Designated cash	363,044	363,044	-	(363,044)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>363,044</u>	<u>363,044</u>	<u>-</u>	<u>(363,044)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(157,132)</u>	<u>(157,132)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>466,160</u>	<u>466,160</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,028</u>	<u>\$ 309,028</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(10,347)	
Adjustments to expenditures			(24,867)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (192,346)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
TEACHERAGE FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	2,267	2,267	256	2,011
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,267</u>	<u>2,267</u>	<u>256</u>	<u>2,011</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,267)</u>	<u>(2,267)</u>	<u>(256)</u>	<u>2,011</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,267	2,267	-	(2,267)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,267</u>	<u>2,267</u>	<u>-</u>	<u>(2,267)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(256)</u>	<u>(256)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,302</u>	<u>2,302</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,046</u>	<u>\$ 2,046</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (256)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
TRANSPORTATION FUND

Exhibit C-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	267,910	267,103	267,103	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>267,910</u>	<u>267,103</u>	<u>267,103</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	267,910	269,943	269,943	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>267,910</u>	<u>269,943</u>	<u>269,943</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(2,840)</u>	<u>(2,840)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	2,840	-	(2,840)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,840</u>	<u>-</u>	<u>(2,840)</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>2,840</u>	<u>2,840</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			(4,081)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (6,921)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-4

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, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	14,885	16,271	16,270	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>14,885</u>	<u>16,271</u>	<u>16,270</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	14,885	16,271	13,399	2,872
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>14,885</u>	<u>16,271</u>	<u>13,399</u>	<u>2,872</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,871</u>	<u>2,871</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>2,871</u>	<u>2,871</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,751</u>	<u>2,751</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,622</u>	<u>\$ 5,622</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 2,871</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
FOOD SERVICE 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	6,836	6,836
Federal grants	169,168	169,168	193,630	24,462
Miscellaneous	4,500	4,500	8,697	4,197
Interest	-	-	-	-
<i>Total revenues</i>	<u>173,668</u>	<u>173,668</u>	<u>209,163</u>	<u>35,495</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	243,668	243,668	225,592	18,076
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>243,668</u>	<u>243,668</u>	<u>225,592</u>	<u>18,076</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(16,429)</u>	<u>53,571</u>
<i>Other financing sources (uses):</i>				
Designated cash	70,000	70,000	-	(70,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(16,429)</u>	<u>(16,429)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>84,776</u>	<u>84,776</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,347</u>	<u>\$ 68,347</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,910	
Adjustments to expenditures			(16,896)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (25,415)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
TITLE I IASA 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	495,599	580,398	420,420	(159,978)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>495,599</u>	<u>580,398</u>	<u>420,420</u>	<u>(159,978)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	425,891	487,606	466,114	21,492
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	18,143	21,248	20,105	1,143
School Administration	51,565	64,846	62,555	2,291
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	6,698	653	6,045
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>495,599</u>	<u>580,398</u>	<u>549,427</u>	<u>30,971</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(129,007)</u>	<u>(129,007)</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>(129,007)</u>	<u>(129,007)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,627)</u>	<u>(2,627)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (131,634)</u>	<u>\$ (131,634)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			130,701	
Adjustments to expenditures			(1,694)	
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, 2012

Exhibit C-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	118,684	148,876	96,924	(51,952)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>118,684</u>	<u>148,876</u>	<u>96,924</u>	<u>(51,952)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	70,398	90,801	76,494	14,307
Support Services				
Students	48,286	58,075	52,738	5,337
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>118,684</u>	<u>148,876</u>	<u>129,232</u>	<u>19,644</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(32,308)</u>	<u>(32,308)</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>(32,308)</u>	<u>(32,308)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(766)</u>	<u>(766)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,074)</u>	<u>\$ (33,074)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			36,472	
Adjustments to expenditures			(4,164)	
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
TEACHER PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	61,681	81,761	37,483	(44,278)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>61,681</u>	<u>81,761</u>	<u>37,483</u>	<u>(44,278)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	59,423	78,731	69,902	8,829
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,258	3,030	2,570	460
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>61,681</u>	<u>81,761</u>	<u>72,472</u>	<u>9,289</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(34,989)</u>	<u>(34,989)</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>(34,989)</u>	<u>(34,989)</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>\$ (34,989)</u>	<u>\$ (34,989)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			34,989	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<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, 2012

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Student Activities Cash	\$ 65,441
Gear Up Scholarship Cash	<u>217,891</u>
<i>Total assets</i>	<u><u>283,332</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>283,332</u>
<i>Total liabilities</i>	<u><u>\$ 283,332</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, 2012

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, 2012

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, 2012

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.

Food Services Special Revenue Fund is used to account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Title I Special Revenue Fund is used to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criterion 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 Special Revenue Fund is used 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.

Teacher / Principal Training & Recruiting Special Revenue Fund is used improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

The *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.

Debt Service is used 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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

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.

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

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 2012 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2012.

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

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

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

Inventory: Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2012.

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, 2012, 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, 2012.

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

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.

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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 \$3,656,523 in state equalization guarantee distributions during the year ended June 30, 2012.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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 \$211,116 in tax revenues during the year ended June 30, 2012. 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 \$267,103 in transportation distributions during the year ended June 30, 2012.

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, 2012 totaled \$16,270.

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, 2012

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

E. *Revenues (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, 2012, the District received \$5,989 in special capital outlay (local) funds.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary. The District received \$104,374 in state SB-9 matching during the year ended June 30, 2012.

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, 2012

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, 2012

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, 2012, 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, 2012.

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, 2012

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	\$ 646,155
FDIC coverage	(646,155)
Total uninsured public funds	-0-
Collateral requirement (50% of uninsured public funds)	\$ -0-
Pledged security	-0-
Total under (over) collateralized	\$ -0-

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, 2012, none of the District's bank balance of \$646,155 was exposed to custodial credit risk as the District's bank balances were fully insured by FDIC.

At June 30, 2012, the carrying amount of these deposits was \$384,999.

Investments

As of June 30, 2012, 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	\$ 75,987	75,987
Federal Home Loan Bank	50,324	50,324
Federal Home Loan Mortgage Corp.	25,231	25,231
U.S. Treasury Notes	25,128	25,128
Total	\$ 176,670	176,670

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, 2012

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	\$ 278,362
Statement of Fiduciary Net Assets – cash per Exhibit D-1	<u>283,332</u>
	561,694
Less Investments	<u>(176,670)</u>
	385,024
Add outstanding checks and other reconciling items	<u>261,156</u>
	646,180
Less petty cash	<u>(25)</u>
Bank balance of deposits	<u><u>\$ 646,155</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2012, are as follows:

	<u>General Fund</u>	<u>Food Service</u>	<u>Title I IASA</u>	<u>Entitlement IDEA-B</u>
Property Taxes	\$ 271	\$ -	\$ -	\$ -
Intergovernmental grants	<u>-</u>	<u>2,255</u>	<u>133,541</u>	<u>37,238</u>
Total Receivables	<u><u>\$ 271</u></u>	<u><u>\$ 2,255</u></u>	<u><u>\$ 133,541</u></u>	<u><u>\$ 37,238</u></u>

	<u>Teacher/ Principal Recruiting & Training</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Property Taxes	\$ -	\$ 5,147	\$ 1,768	\$ 7,186
Intergovernmental grants	<u>34,989</u>	<u>-</u>	<u>100,694</u>	<u>308,717</u>
Total Receivables	<u><u>\$ 34,989</u></u>	<u><u>\$ 5,147</u></u>	<u><u>\$ 102,462</u></u>	<u><u>\$ 315,903</u></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, 2012

NOTE 5. Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances as of June 30, 2012 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 260,264	\$ —
Title I – IASA	—	131,634
Entitlement IDEA-B	—	33,074
Teacher/Principal Training	—	34,989
Nonmajor Funds:		
Discretionary IDEA-B	—	167
Preschool IDEA-B	—	4,559
IDEA-B Early Intervention	—	7,505
IDEA-B – Risk Pool	—	62
Title I- School Improvement	—	4,602
Johnson O’Malley	—	2,110
SEG Federal Stimulus	—	6,090
Duel Credit Instructional Materials	—	888
2010 G.O. Bond Student Library	—	23
Pre Kindergarten Initiative	—	11,736
Kindergarten Three Plus	—	22,825
	<hr/>	<hr/>
Total Governmental Activities	<u>\$ 260,264</u>	<u>\$ 260,264</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2012 follows. Land is not subject to depreciation.

	Balance June 30, 2011	Additions	Deletions	Adjustments	Balance June 30, 2012
Capital Assets not being depreciated:					
Land	\$ 69,672	\$ -	\$ -	\$ -	\$ 69,672
Capital Assets being depreciated:					
Land improvements	\$ 1,689,447	\$ -	\$ -	\$ -	\$ 1,689,447
Buildings and building improvements	13,635,971	1,099,384	-	-	14,735,355
Equipment & vehicles	1,560,749	188,198	-	-	1,748,947
Total Capital Assets being depreciated:	<u>16,886,816</u>	<u>1,287,582</u>	<u>-</u>	<u>-</u>	<u>18,173,749</u>
Less Accumulated Depreciation for:					
Land and land improvements	484,682	70,299	-	-	554,981
Buildings and building improvements	4,370,021	375,163	-	-	4,745,184
Equipment & vehicles	996,598	77,120	-	-	1,073,718
Total Accumulated depreciation:	<u>5,851,301</u>	<u>522,582</u>	<u>-</u>	<u>-</u>	<u>6,373,883</u>
Net Capital Assets being depreciated	<u>11,034,866</u>	<u>765,000</u>	<u>-</u>	<u>-</u>	<u>11,799,866</u>
Governmental activities capital assets, net:	<u>\$ 11,104,538</u>	<u>\$ 765,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,869,538</u>

Capital assets, net of accumulated depreciation, at June 30, 2012 appear in the Statement of Net Assets as follows: Governmental activities \$11,869,538.

Depreciation expense for the year ended June 30, 2012 was charged to governmental activities as follows:

Instruction	\$ 351,991
Support Services - Instruction	2,331
Support Services – General Administration	1,487
Support Services – School Administration	110
Operation and Maintenance of Plant	25,412
Food Services	108,632
Transportation	25,718
Capital Outlay	<u>6,901</u>
	<u>\$ 522,582</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7. Long-Term Debt

During the year ended June 30, 2012, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$ 1,575,000	\$ 195,000	\$ 70,000	\$ 1,700,000	\$ 75,000
Compensated Absences	<u>188,120</u>	<u>34,151</u>	<u>58,884</u>	<u>163,387</u>	<u>163,387</u>
Total	<u>\$ 1,763,120</u>	<u>\$ 229,151</u>	<u>\$ 128,884</u>	<u>\$ 1,863,387</u>	<u>\$ 238,387</u>

The annual requirements to amortize the Bonds as of June 30, 2012, 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>
2013	\$ 75,000	\$ 60,361	\$ 135,361
2014	100,000	57,703	157,703
2015	110,000	54,593	164,593
2016	175,000	50,992	225,992
2017	120,000	46,493	166,493
2018-2022	865,000	159,620	1,024,620
2023-2027	<u>255,000</u>	<u>15,531</u>	<u>270,531</u>
Totals	<u>\$ 1,700,000</u>	<u>\$ 445,292</u>	<u>\$ 2,145,292</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, 2012, compensated absences decreased \$24,733 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, 2012, 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, 2012

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, 2012:

Major Funds:	
Instructional Materials	4,081
Total Major Funds	<u>\$ 4,081</u>
Nonmajor Funds:	
Dual Credit Instructional Materials	\$ 888
2010 G.O. Bond Student Library Fund	23
Pre K Initiative	11,736
Kindergarten Three Plus	<u>22,825</u>
Total Nonmajor Funds	<u>\$ 35,472</u>
Total All Funds	<u>\$ 39,553</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, 2012:

Nonmajor Funds:	
Debt Service – Support Services	\$ 169
Total	<u>\$ 169</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. Plan members earning \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in Fiscal year 2012 and will be required to contribute 9.4% of their gross salary in fiscal year 2013. The Magdalena Municipal School District has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less in fiscal years 2012 and 2013. In fiscal year 2012 the Magdalena Municipal School District contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the Magdalena Municipal School District will contribute 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and Magdalena Municipal school District 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 District contributions to ERB for the fiscal years ending June 30, 2012, 2011 and 2010, were \$352,800, \$416,446, and, \$452,751, respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long term care policies.

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal years ending 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>
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, 2012, 2011 and 2010 were \$68,121 \$61,801, and \$52,452, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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.

NOTE 12. Contingent Liabilities (continued)

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

NOTE 13. Budgeted Activity Funds

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

NOTE 14. Joint Powers Agreements

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

During the year ended June 30, 2012, the CREC passed through \$133,396 to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the CREC fund was reported as revenues and expenditures in the IDEA B Entitlement Fund (24106).

NOTE 15. Subsequent Accounting Standard Pronouncements

In 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, 2012

NOTE 15. 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 16. 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, 2012

NOTE 16. Fund Balance (continued)

	General Fund				
	General Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	Food Service
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 5,537
Restricted for:					
Education	-	-	-	-	24,243
Debt service	-	-	-	-	-
School construction	-	-	-	-	-
General fund	-	2,046	-	5,622	-
Assigned to:					
Debt service	-	-	-	-	-
Other capital projects	-	-	-	-	-
Other purposes	273,509	-	-	-	45,931
Unassigned:	-	-	(4,081)	-	-
Total fund balances	<u>\$ 273,509</u>	<u>\$ 2,046</u>	<u>\$ (4,081)</u>	<u>\$ 5,622</u>	<u>\$ 75,711</u>

	Bond Building Fund	Debt Service	Other Governmental Funds	Total Fund
	Fund Balances:			
Nonspendable:				
Inventory	\$ -	\$ -	\$ -	\$ 5,537
Restricted for:				
General fund	-	-	-	7,668
Education	-	-	106,716	130,959
School construction	3,386	-	6,944	10,330
Debt service	-	88,629	-	88,629
Assigned to:				
Debt service	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	-	-	19,322	338,762
Unassigned:	-	-	(35,472)	(39,553)
Total fund balances	<u>\$ 3,386</u>	<u>\$ 88,629</u>	<u>\$ 97,510</u>	<u>\$ 542,332</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, 2012

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 61,562	\$ 5,153	\$ 66,715
Accounts receivable			
Taxes	-	1,768	1,768
Due from other governments	100,694	-	100,694
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>162,256</u>	<u>6,921</u>	<u>169,177</u>
<i>Total assets</i>	<u>162,256</u>	<u>6,921</u>	<u>169,177</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	2,388	-	2,388
Accrued compensated absences	-	-	-
Interfund payables	60,567	-	60,567
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	8,712	-	8,712
	<u>71,667</u>	<u>-</u>	<u>71,667</u>
<i>Total liabilities</i>	<u>71,667</u>	<u>-</u>	<u>71,667</u>
<i>Fund balances</i>			
Fund Balance:			
Nonspendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special revenue	106,739	-	106,739
Capital projects	-	6,921	6,921
Debt service	-	-	-
Assigned	19,322	-	19,322
Unassigned	(35,472)	-	(35,472)
	<u>90,589</u>	<u>6,921</u>	<u>97,510</u>
<i>Total fund balance</i>	<u>90,589</u>	<u>6,921</u>	<u>97,510</u>
<i>Total liabilities and fund balance</i>	<u>\$ 162,256</u>	<u>\$ 6,921</u>	<u>\$ 169,177</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 STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2012

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<i>Revenues:</i>			
Property taxes	\$ -	\$ 52,324	\$ 52,324
State grants	25,079	104,374	129,453
Federal grants	426,223	-	426,223
Charges for services	20,891	-	20,891
Miscellaneous	-	5,989	5,989
Interest	-	-	-
<i>Total revenues</i>	472,193	162,687	634,880
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	356,373	-	356,373
Support Services			
Students	73,575	-	73,575
Instruction	28,928	-	28,928
General Administration	30,423	506	30,929
School Administration	28,117	-	28,117
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	10,000	-	10,000
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	3,142	-	3,142
Capital outlay	-	199,546	199,546
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	530,558	200,052	730,610
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(58,365)	(37,365)	(95,730)
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	(58,365)	(37,365)	(95,730)
<i>Fund balances - beginning of year</i>	148,954	44,286	193,240
<i>Fund balances - end of year</i>	\$ 90,589	\$ 6,921	\$ 97,510

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

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

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

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)

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

Title I School Improvement (24162) – To account for Title I Program Improvement funding designated to assist with the implementation of approved school improvement corrective action plans. This funding was authorized by the Elementary and Secondary Education Act (ESEA), as amended, Executive Order Section 1003(g), 115 Stat. 1442, 20 U.S.C 6303(g).

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.

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

SPECIAL REVENUE FUNDS (continued)

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.

Education Jobs Fund Federal Stimulus (25255) – A federal program that provided assistance to states to save or create education jobs. Funding for this program was authorized by Sections 14001 through 14013, and Title XV of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA).

Dual Credit Instructional Materials (27103) – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

Library GO Bonds 2009-2011 (27105) – To acquire library books, equipment, and library resources for public school and state-supported school libraries statewide

2010 GO Bond Student Library Fund (27106) – Funds used to purchase library books and library supplies. Replacing fund 27105. The final reimbursement date will be May 14, 2014.

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.)

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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Athletics 22000	Discretionary IDEA-B 24107	Preschool IDEA-B 24109	IDEA-B Early Intervention Services 24112
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 19,322	\$ -	\$ -	\$ -
Accounts receivable				
Due from other governments	-	167	4,559	7,505
Interfund receivables	-	-	-	-
<i>Total assets</i>	<u>19,322</u>	<u>167</u>	<u>4,559</u>	<u>7,505</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	167	4,559	7,505
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>167</u>	<u>4,559</u>	<u>7,505</u>
<i>Fund balances</i>				
Fund Balance:				
Restricted for:				
General Fund	-	-	-	-
Special revenue	-	-	-	-
Assigned	19,322	-	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>19,322</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 19,322</u>	<u>\$ 167</u>	<u>\$ 4,559</u>	<u>\$ 7,505</u>

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

IDEA-B "Risk Pool" 24120	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Entitlement IDEA-B Federal Stimulus 24206	Preschool IDEA-B Federal Stimulus 24209	Johnson O'Malley 25131
\$ -	\$ 618	\$ -	\$ 301	\$ -	\$ -
7,505	-	4,602	-	-	2,110
-	-	-	-	-	-
<u>7,505</u>	<u>618</u>	<u>4,602</u>	<u>301</u>	<u>-</u>	<u>2,110</u>
-	-	-	-	-	-
62	-	4,602	-	-	2,110
<u>7,443</u>	<u>618</u>	<u>-</u>	<u>301</u>	<u>-</u>	<u>-</u>
<u>7,505</u>	<u>618</u>	<u>4,602</u>	<u>301</u>	<u>-</u>	<u>2,110</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,505</u>	<u>\$ 618</u>	<u>\$ 4,602</u>	<u>\$ 301</u>	<u>\$ -</u>	<u>\$ 2,110</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, 2012

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3 / 21 Years 25153	Indian Ed Formula Grant 25184
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 20,969	\$ 9,614	\$ 6,728	\$ -
Accounts receivable				
Due from other governments	14,077	42,562	11,517	-
Interfund receivables	-	-	-	-
<i>Total assets</i>	<u>35,046</u>	<u>52,176</u>	<u>18,245</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accrued payroll liabilities	-	2,388	-	-
Interfund payables	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>2,388</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Restricted for:				
General Fund	-	-	-	-
Special revenue	35,046	49,788	18,245	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>35,046</u>	<u>49,788</u>	<u>18,245</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 35,046</u>	<u>\$ 52,176</u>	<u>\$ 18,245</u>	<u>\$ -</u>

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

Special Projects Demonstration USDE 25194	SEG Federal Stimulus 25250	Education Jobs Fund 25255	Dual Credit Instructional Materials 27103	Library GO Bonds 27105	2010 GO Bond Student Library Fund 27106
\$ 350	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,090	-	-	-	-
-	-	-	-	-	-
<u>350</u>	<u>6,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	6,090	-	888	-	23
<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>350</u>	<u>6,090</u>	<u>-</u>	<u>888</u>	<u>-</u>	<u>23</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(888)	-	(23)
-	-	-	(888)	-	(23)
<u>\$ 350</u>	<u>\$ 6,090</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, 2012

	Technology for Education PED 27117	Pre K Initiative 27149	Beginning Teacher Mentoring Program 27154	Kindergarten Three Plus 27166
<i>Current Assets</i>				
Cash and temporary investments	\$ 3,162	\$ -	\$ 197	\$ -
Accounts receivable				
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
<i>Total assets</i>	<u>3,162</u>	<u>-</u>	<u>197</u>	<u>-</u>
<i>Current Liabilities:</i>				
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	11,736	-	22,825
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>11,736</u>	<u>-</u>	<u>22,825</u>
<i>Fund balances</i>				
Fund Balance:				
Restricted for:				
General Fund	-	-	-	-
Special revenue	3,162	-	197	-
Assigned	-	-	-	-
Unassigned	-	(11,736)	-	(22,825)
<i>Total fund balance</i>	<u>3,162</u>	<u>(11,736)</u>	<u>197</u>	<u>(22,825)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 3,162</u>	<u>\$ -</u>	<u>\$ 197</u>	<u>\$ -</u>

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

After School Enrichment Program 27168	Total
\$ 301	\$ 61,562
-	100,694
-	-
<u>301</u>	<u>162,256</u>
-	2,388
-	60,567
-	8,712
<u>-</u>	<u>71,667</u>
-	-
301	106,739
-	19,322
-	(35,472)
<u>301</u>	<u>90,589</u>
<u>\$ 301</u>	<u>\$ 162,256</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, 2012

	Athletics 22000	Discretionary IDEA-B 24107	Preschool IDEA-B 24109	IDEA-B Early Intervention Services 24112
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	10,698	7,505
Charges for services	20,891	-	-	-
<i>Total revenues</i>	<u>20,891</u>	<u>-</u>	<u>10,698</u>	<u>7,505</u>
<i>Expenditures:</i>				
Current:				
Instruction	14,856	-	10,698	7,505
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
<i>Total expenditures</i>	<u>14,856</u>	<u>-</u>	<u>10,698</u>	<u>7,505</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>6,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>6,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>13,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 19,322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

IDEA-B "Risk Pool" 24120	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Entitlement IDEA-B Federal Stimulus 24206	Preschool IDEA-B Federal Stimulus 24209	Johnson O'Malley 25131
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
888	-	85,215	-	-	13,565
-	-	-	-	-	-
<u>888</u>	<u>-</u>	<u>85,215</u>	<u>-</u>	<u>-</u>	<u>13,565</u>
888	-	85,215	-	-	11,928
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	497
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,140
<u>888</u>	<u>-</u>	<u>85,215</u>	<u>-</u>	<u>-</u>	<u>13,565</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2012

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3 / 21 Years 25153	Indian Ed Formula Grant 25184
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	50,002	172,427	37,224	46,883
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>50,002</u>	<u>172,427</u>	<u>37,224</u>	<u>46,883</u>
<i>Expenditures:</i>				
Current:				
Instruction	38,140	91,775	-	45,266
Support Services				
Students	10,084	-	63,491	-
Instruction	-	26,394	-	-
General Administration	1,778	24,139	2,392	1,617
School Administration	-	28,117	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	2,002	-	-
<i>Total expenditures</i>	<u>50,002</u>	<u>172,427</u>	<u>65,883</u>	<u>46,883</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(28,659)</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(28,659)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>35,046</u>	<u>49,788</u>	<u>46,904</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 35,046</u>	<u>\$ 49,788</u>	<u>\$ 18,245</u>	<u>\$ -</u>

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

Special Projects Demonstration USDE 25194	SEG Federal Stimulus 25250	Education Jobs Fund 25255	Dual Credit Instructional Materials 27103	Library GO Bonds 27105	2010 GO Bond Student Library Fund 27106
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,511	-
-	-	1,816	-	-	-
-	-	-	-	-	-
-	-	1,816	-	2,511	-
-	-	1,816	888	-	-
-	-	-	-	-	-
-	-	-	-	2,511	23
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,816	888	2,511	23
-	-	-	(888)	-	(23)
-	-	-	(888)	-	(23)
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ (888)	\$ -	\$ (23)

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, 2012

	Technology for Education PED 27117	Pre K Initiative 27149	Beginning Teacher Mentoring Program 27154	Kindergarten Three Plus 27166
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	22,568	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>22,568</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	24,180	-	23,218
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	10,000	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,180</u>	<u>-</u>	<u>23,218</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(11,612)</u>	<u>-</u>	<u>(23,218)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(11,612)</u>	<u>-</u>	<u>(23,218)</u>
<i>Fund balances - beginning of year</i>	<u>3,162</u>	<u>(124)</u>	<u>197</u>	<u>393</u>
<i>Fund balances - end of year</i>	<u>\$ 3,162</u>	<u>\$ (11,736)</u>	<u>\$ 197</u>	<u>\$ (22,825)</u>

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

After School Enrichment Program 27168	Total
\$ -	\$ -
-	25,079
-	426,223
-	20,891
<u>-</u>	<u>472,193</u>
-	356,373
-	73,575
-	28,928
-	30,423
-	28,117
-	-
-	-
-	10,000
-	-
-	-
<u>-</u>	<u>3,142</u>
<u>-</u>	<u>530,558</u>
-	(58,365)
<u>-</u>	<u>(58,365)</u>
<u>301</u>	<u>148,954</u>
<u>\$ 301</u>	<u>\$ 90,589</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
ATHLETICS 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	15,000	15,000	20,891	5,891
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>20,891</u>	<u>5,891</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	26,000	26,000	14,856	11,144
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>26,000</u>	<u>26,000</u>	<u>14,856</u>	<u>11,144</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(11,000)</u>	<u>(11,000)</u>	<u>6,035</u>	<u>17,035</u>
<i>Other financing sources (uses):</i>				
Designated cash	11,000	11,000	-	(11,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>6,035</u>	<u>6,035</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,287</u>	<u>13,287</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,322</u>	<u>\$ 19,322</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 6,035</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

Statement B-4

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

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
PRESCHOOL 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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	10,636	12,555	16,354	3,799
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>10,636</u>	<u>12,555</u>	<u>16,354</u>	<u>3,799</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	10,636	12,555	10,698	1,857
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>10,636</u>	<u>12,555</u>	<u>10,698</u>	<u>1,857</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,656</u>	<u>5,656</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>5,656</u>	<u>5,656</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,215)</u>	<u>(10,215)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,559)</u>	<u>\$ (4,559)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(5,656)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

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, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	20,616	-	(20,616)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,616</u>	<u>-</u>	<u>(20,616)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	20,616	7,505	13,111
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>20,616</u>	<u>7,505</u>	<u>13,111</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,505)</u>	<u>(7,505)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,505)</u>	<u>(7,505)</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>\$ (7,505)</u>	<u>\$ (7,505)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,505	
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
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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,062	826	(236)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,062</u>	<u>826</u>	<u>(236)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,062	888	174
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,062</u>	<u>888</u>	<u>174</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>(62)</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>(62)</u>	<u>(62)</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>\$ (62)</u>	<u>\$ (62)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			62	
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

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, 2012

	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>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
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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	85,223	145,389	60,166
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>85,223</u>	<u>145,389</u>	<u>60,166</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	85,223	85,215	8
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>85,223</u>	<u>85,215</u>	<u>8</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>60,174</u>	<u>60,174</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>60,174</u>	<u>60,174</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(64,776)</u>	<u>(64,776)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,602)</u>	<u>\$ (4,602)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(60,174)	
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 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, 2012

Statement B-10

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	19,430	19,430
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>19,430</u>	<u>19,430</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>19,430</u>	<u>19,430</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>19,430</u>	<u>19,430</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,129)</u>	<u>(19,129)</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			(19,430)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	1,431	1,431
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,431</u>	<u>1,431</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>1,431</u>	<u>1,431</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>1,431</u>	<u>1,431</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,431)</u>	<u>(1,431)</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			(1,431)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-12

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	14,043	13,567	18,526	4,959
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>14,043</u>	<u>13,567</u>	<u>18,526</u>	<u>4,959</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	9,239	11,930	11,928	2
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	515	497	497	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	1,849	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	2,440	1,140	1,140	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,043</u>	<u>13,567</u>	<u>13,565</u>	<u>2</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,961</u>	<u>4,961</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,961</u>	<u>4,961</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(7,071)</u>	<u>(7,071)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,110)</u>	<u>\$ (2,110)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,961)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

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, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	38,070	31,011	35,925	4,914
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>38,070</u>	<u>31,011</u>	<u>35,925</u>	<u>4,914</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	49,303	42,244	38,140	4,104
Support Services				
Students	23,506	23,506	10,084	13,422
Instruction	-	-	-	-
General Administration	-	-	1,778	(1,778)
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>72,809</u>	<u>65,750</u>	<u>50,002</u>	<u>15,748</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(34,739)</u>	<u>(34,739)</u>	<u>(14,077)</u>	<u>20,662</u>
<i>Other financing sources (uses):</i>				
Designated cash	34,739	34,739	-	(34,739)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>34,739</u>	<u>34,739</u>	<u>-</u>	<u>(34,739)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(14,077)</u>	<u>(14,077)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>35,046</u>	<u>35,046</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,969</u>	<u>\$ 20,969</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			14,077	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-14

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	135,533	121,492	129,865	8,373
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>135,533</u>	<u>121,492</u>	<u>129,865</u>	<u>8,373</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	80,868	90,163	89,387	776
Support Services				
Students	-	-	-	-
Instruction	39,119	19,225	26,394	(7,169)
General Administration	24,508	24,508	24,139	369
School Administration	35,594	35,594	28,117	7,477
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	5,444	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	2,002	2,002	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>185,533</u>	<u>171,492</u>	<u>170,039</u>	<u>1,453</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(40,174)</u>	<u>9,826</u>
<i>Other financing sources (uses):</i>				
Designated cash	50,000	50,000	-	(50,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(40,174)</u>	<u>(40,174)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>49,788</u>	<u>49,788</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,614</u>	<u>\$ 9,614</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			42,562	
Adjustments to expenditures			(2,388)	
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 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, 2012

Statement B-15

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	24,387	52,776	25,707	(27,069)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>24,387</u>	<u>52,776</u>	<u>25,707</u>	<u>(27,069)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	43,329	69,939	63,491	6,448
Instruction	-	-	-	-
General Administration	893	2,672	2,392	280
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>44,222</u>	<u>72,611</u>	<u>65,883</u>	<u>6,728</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(19,835)</u>	<u>(19,835)</u>	<u>(40,176)</u>	<u>(20,341)</u>
<i>Other financing sources (uses):</i>				
Designated cash	19,835	19,835	-	(19,835)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>19,835</u>	<u>19,835</u>	<u>-</u>	<u>(19,835)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(40,176)</u>	<u>(40,176)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>46,904</u>	<u>46,904</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,728</u>	<u>\$ 6,728</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			11,517	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (28,659)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-16

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	44,251	46,883	44,162	(2,721)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>44,251</u>	<u>46,883</u>	<u>44,162</u>	<u>(2,721)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	42,631	45,266	45,266	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,620	1,617	1,617	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>44,251</u>	<u>46,883</u>	<u>46,883</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,721)</u>	<u>(2,721)</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>(2,721)</u>	<u>(2,721)</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>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,721	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-17

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>350</u>	<u>350</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>	<u>\$ 350</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
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, 2012

Statement B-18

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,090)</u>	<u>(6,090)</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			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
EDUCATION JOBS FUND SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

Statement B-19

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,816	42,035	40,219
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,816</u>	<u>42,035</u>	<u>40,219</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,816	1,816	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,816</u>	<u>1,816</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>(40,219)</u>	<u>(40,219)</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			(40,219)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DUAL CREDIT INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

Statement B-20

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	888	-	(888)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>888</u>	<u>-</u>	<u>(888)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	888	888	-
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>888</u>	<u>888</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(888)</u>	<u>(888)</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>(888)</u>	<u>(888)</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>\$ (888)</u>	<u>\$ (888)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (888)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-21

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	2,511	2,511	5,908	3,397
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,511</u>	<u>2,511</u>	<u>5,908</u>	<u>3,397</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	2,511	2,511	2,511	-
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>2,511</u>	<u>2,511</u>	<u>2,511</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,397</u>	<u>3,397</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,397</u>	<u>3,397</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,397)</u>	<u>(3,397)</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			(3,397)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

MAGDALENA MUNICIPAL SCHOOLS

2010 GO BOND STUDENT LIBRARY FUND SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	6,368	6,368	-	(6,368)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,368</u>	<u>6,368</u>	<u>-</u>	<u>(6,368)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	6,368	6,368	23	6,345
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>6,368</u>	<u>6,368</u>	<u>23</u>	<u>6,345</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>(23)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>(23)</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>\$ (23)</u>	<u>\$ (23)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (23)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-23

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>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
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, 2012

Statement B-24

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	34,180	22,568	(11,612)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,180</u>	<u>22,568</u>	<u>(11,612)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	24,180	24,180	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	10,000	10,000	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,180</u>	<u>34,180</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,612)</u>	<u>(11,612)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,612)</u>	<u>(11,612)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(124)</u>	<u>(124)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,736)</u>	<u>\$ (11,736)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (11,612)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

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, 2012

	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>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
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, 2012

Statement B-26

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	25,344	-	(25,344)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,344</u>	<u>-</u>	<u>(25,344)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	25,344	23,218	2,126
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>25,344</u>	<u>23,218</u>	<u>2,126</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(23,218)</u>	<u>(23,218)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(23,218)</u>	<u>(23,218)</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>\$ (22,825)</u>	<u>\$ (22,825)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (23,218)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement B-27

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

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, 2012

Statement C-1

	Special Capital Outlay - Local 31300	Capital Improvements SB-9 31700	Total
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ -	\$ 5,153	\$ 5,153
Accounts receivable			
Taxes	-	1,768	1,768
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>-</u>	<u>6,921</u>	<u>6,921</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	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Fund Balance:			
Nonspendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special revenue	-	-	-
Capital projects	-	6,921	6,921
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>6,921</u>	<u>6,921</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 6,921</u>	<u>\$ 6,921</u>

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, 2012

	Capital		Total
	Special Capital Outlay - Local 31300	Improvements SB-9 31700	
<i>Revenues:</i>			
Property taxes	\$ -	\$ 52,324	\$ 52,324
State grants	-	104,374	104,374
Federal grants	-	-	-
Miscellaneous	5,989	-	5,989
<i>Total revenues</i>	<u>5,989</u>	<u>156,698</u>	<u>162,687</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	506	506
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	-	199,546	199,546
Debt service - Principal	-	-	-
Debt service - Interest	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>200,052</u>	<u>200,052</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>5,989</u>	<u>(43,354)</u>	<u>(37,365)</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>5,989</u>	<u>(43,354)</u>	<u>(37,365)</u>
<i>Fund balances - beginning of year</i>	<u>(5,989)</u>	<u>50,275</u>	<u>44,286</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 6,921</u>	<u>\$ 6,921</u>

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

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
BOND BUILDING CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	1,000,000	1,363,798	1,361,205	2,593
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,000,000</u>	<u>1,363,798</u>	<u>1,361,205</u>	<u>2,593</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,000,000)</u>	<u>(1,363,798)</u>	<u>(1,361,205)</u>	<u>2,593</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,000,000	1,168,798	-	(1,168,798)
Bond premiums	-	-	-	-
Proceeds from bond issues	-	195,000	195,023	23
<i>Total other financing sources (uses)</i>	<u>1,000,000</u>	<u>1,363,798</u>	<u>195,023</u>	<u>(1,168,775)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,166,182)</u>	<u>(1,166,182)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,169,568</u>	<u>1,169,568</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,386</u>	<u>\$ 3,386</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			98,207	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,067,975)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2012

Statement C-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	14,919	14,919
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>14,919</u>	<u>14,919</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>14,919</u>	<u>14,919</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>14,919</u>	<u>14,919</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,919)</u>	<u>(14,919)</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			(8,930)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 5,989</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012

Statement C-5

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ 45,554	\$ 45,554	\$ 50,556	\$ 5,002
State grants	-	104,374	104,374	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,554</u>	<u>149,928</u>	<u>154,930</u>	<u>5,002</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	456	656	506	150
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	45,098	204,528	204,527	1
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>45,554</u>	<u>205,184</u>	<u>205,033</u>	<u>151</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(55,256)</u>	<u>(50,103)</u>	<u>5,153</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	55,256	-	(55,256)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>55,256</u>	<u>-</u>	<u>(55,256)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(50,103)</u>	<u>(50,103)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>55,256</u>	<u>55,256</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,153</u>	<u>\$ 5,153</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,768	
Adjustments to expenditures			4,981	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>1,768</u>	
			<u>4,981</u>	
			<u>\$ (43,354)</u>	

The accompanying notes are an integral part of these financial statements

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DEBT SERVICE FUNDS

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
DEBT SERVICE FUND

Statement D-1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ 128,724	\$ 128,724	\$ 145,641	\$ 16,917
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>128,724</u>	<u>128,724</u>	<u>145,641</u>	<u>16,917</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,287	1,287	1,456	(169)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	-	-	-	-
Principal	70,000	70,000	70,000	-
Interest	109,115	109,115	58,725	50,390
<i>Total expenditures</i>	<u>180,402</u>	<u>180,402</u>	<u>130,181</u>	<u>50,221</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(51,678)</u>	<u>(51,678)</u>	<u>15,460</u>	<u>67,138</u>
<i>Other financing sources (uses):</i>				
Designated cash	51,678	51,678	-	(51,678)
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>51,678</u>	<u>51,678</u>	<u>-</u>	<u>(51,678)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,460</u>	<u>15,460</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>68,022</u>	<u>68,022</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,482</u>	<u>\$ 83,482</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,147	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 20,607</u>	

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, 2012

Schedule I
(Page 1 of 3)

	Balance June 30, 2011	Additions	Adjustments	Deletions	Balance June 30, 2012
Administration Miscellaneous	\$ 4,565	\$ 8,536	\$ (93)	\$ 12,826	\$ 182
Yearbook	3,543	2,645	-	3,539	2,649
Elementary Fund	1,268	7,917	(56)	7,601	1,528
FFA	2,874	3,111	-	5,018	967
Flower Fund	8	390	-	222	176
Football	576	2,039	-	2,405	210
Library	1,495	3,393	-	3,203	1,685
Science Club	-	-	-	-	-
Native American Club - HS	830	478	-	58	1,250
Native American Club - MS	815	177	-	58	934
Native American Club - ES	86	95	-	159	22
SPED - Mid School	-	-	-	-	-
SPED - Elementary - RM	120	-	-	-	120
Volleyball	980	2,387	-	2,933	434
Student Council - Mid School	391	38	-	-	429
Student Council - High School	887	1,174	-	1,192	869
Athletic Pepsi Commission Fund	-	-	-	-	-
Athletic Concession Fund	18,035	40,451	-	48,784	9,702
HS Boys Basketball	2,089	9,068	(51)	10,877	229
Class of 2016	453	191	-	235	409
Class of 2018	-	213	-	-	213
Class of 2011	22	-	-	-	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, 2012

Schedule I
(Page 2 of 3)

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Class of 2012	1,587	1,648	-	2,721	514
Class of 2013	930	4,200	-	4,718	412
Reading is Fundamental	426	561	-	-	987
Cheerleading	1,411	2,806	-	3,162	1,055
High School	2,597	1,686	-	1,187	3,096
MMS Scholarship Fund	2,797	800	-	200	3,397
HS Girls Basketball	2,153	1,802	-	3,656	299
Renaissance Program	3,527	4,834	-	6,282	2,079
Elementary Renaissance	547	1,722	-	1,700	569
Educators Scholarship	5,225	4,575	-	5,700	4,100
Art Club	-				-
Close-Up	-				-
Clint Benjamin Memorial	1,130				1,130
Auto Shop	26,062	43,897	-	49,028	20,931
Math Grant	-				-
TSA	2,190	1,279	-	2,203	1,266
Board of Education	1,479	3,825	-	3,200	2,104
Jay Apachito Scholarship	1,109	719		600	1,228
Eva Trujillo Scholarship	-				-
Insurance Benefits	94,763	594,908	200	689,871	-
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, 2012

Schedule I
(Page 3 of 3)

	Balance June 30, 2011	Additions	Adjustments	Deletions	Balance June 30, 2012
Mid / High Incentives	1,073	728	-	874	927
Class of 2014	854	851	-	513	1,192
PBS	751	4,879		4,112	1,518
Pinon League	-				-
Letterman's Club	809	-	-	-	809
Spanish Club	932	1,444	-	1,012	1,364
Class of 2015	639	36	-	274	401
Department of Health Grant	-				-
Baseball	10	702	-	334	378
Boxtops for Education	311	120	-	-	431
National Honor Society	188			165	23
Class of 2016	-				-
Class of 2017	163	-	-	-	163
Auto Shop Scholarship	6,888	2,765	-	1,500	8,153
NRAO Science Donation	526	500	-	578	448
Track	977	2,447	-	3,209	215
Kindergarten	97	504		463	138
Rocket Club	343	2,353	-	2,691	5
Embroidery Class	289	-	-	-	289
Native Health Grant	808	213	-	-	1,021
Gear Up Scholarship	217,891	(17,231)		-	200,660
Total All Schools	\$ 420,519	\$ 751,876	\$ -	\$ 889,063	\$ 283,332

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 CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2012

Schedule II

Bank Account Type	Wells Fargo Bank	Totals
Checking - Clearing Account	\$ 519,151	\$ 519,151
Checking - Activity Account	103,014	103,014
Gear-Up Scholarship Account	23,990	23,990
Total On Deposit	646,155	646,155
Reconciling Items	(261,156)	(261,156)
Reconciled Balance June 30, 2012	<u>\$ 384,999</u>	<u>\$ 384,999</u>
Add: Petty Cash		25
Add: Investments		176,670
Less: Fiduciary Funds Cash		<u>(283,332)</u>
Cash per Government-wide Financial Statements		<u>\$ 278,362</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2012

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
Cash, June 30, 2011	\$ 466,160	\$ 2,302	\$ 2,840	\$ 2,751
Add:				
2011-12 revenues	4,516,548	-	267,103	16,270
Loans from other funds	-	-	-	-
Total cash available	4,982,708	2,302	269,943	19,021
Less:				
2011-12 expenditures	(4,673,680)	(256)	(269,943)	(13,399)
Loans to other funds	(260,264)	-	-	-
Cash, June 30, 2012	<u>\$ 48,764</u>	<u>\$ 2,046</u>	<u>\$ -</u>	<u>\$ 5,622</u>

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

Food Service 21000	Athletics 22000	Student Activities 23000	Gear-Up Scholarship 23000
\$ 84,776	\$ 13,287	\$ 202,628	\$ 217,891
209,163	20,891	754,583	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
293,939	34,178	957,211	217,891
(225,592)	(14,856)	(891,770)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 68,347</u>	<u>\$ 19,322</u>	<u>\$ 65,441</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, 2012

	Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 27000	Bond Building 31100
Cash, June 30, 2011	\$ (98,493)	\$ 81,429	\$ 532	\$ 1,169,568
Add:				
2011-12 revenues	738,257	296,220	28,476	195,023
Loans from other funds	<u>216,592</u>	<u>8,200</u>	<u>35,472</u>	<u>-</u>
Total cash available	856,356	385,849	64,480	1,364,591
Less:				
2011-12 expenditures	(855,437)	(348,188)	(60,820)	(1,361,205)
Loans to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, June 30, 2012	<u><u>\$ 919</u></u>	<u><u>\$ 37,661</u></u>	<u><u>\$ 3,660</u></u>	<u><u>\$ 3,386</u></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
\$ (14,919)	\$ 55,256	\$ 68,022	2,254,030
14,919	154,930	145,641	7,358,024
<u>-</u>	<u>-</u>	<u>-</u>	<u>260,264</u>
-	210,186	213,663	9,872,318
-	(205,033)	(130,181)	(9,050,360)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(260,264)</u>
<u>\$ -</u>	<u>\$ 5,153</u>	<u>\$ 83,482</u>	<u>\$ 561,694</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, 2012, and have issued our report thereon dated November 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiency in internal control over financial reporting as FS-11-01. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Magdalena Municipal School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items FS 11-01, FS 11-03, FS 12-01, and FS 12-02.

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We also noted certain matters that are required to be reported pursuant to *Government 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 findings FS 11-01, FS 11-03, FS 12-01, and FS 12-02.

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

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 12, 2012

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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, 2012. 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, 2012.

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 12, 2012

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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule IV
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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	24101	84.010	\$ 551,121
IDEA- B - Entitlement	24106	84.027	133,396
IDEA- B - Pre School	24109	84.173	10,698
IDEA-B Early Intervention Services	24112	84.027	7,505
IDEA- B - Risk Pool	24120	84.027	888
Title IIA Teacher / Principal Training	24154	84.367	72,472
Title I-School Improvement	24162	84.010	85,215
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>861,295</u>
<i>Direct U.S. Department of Education</i>			
Impact Aid (1)	11000	84.041	531,724
Impact Aid - Special Education (1)	25145	84.041	50,002
Impact Aid - Indian Education (1)	25147	84.041	172,427
Indian Education Formula Grant	25184	84.060A	46,883
Education Jobs Fund - Federal Stimulus	25255	84.410	1,816
<i>Subtotal - Direct U.S. Department of Education</i>			<u>802,852</u>
Total U.S. Department of Education			<u><u>1,664,147</u></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, 2012

Schedule IV
(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>61,548</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>61,548</u>
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program (1)	21000	10.555	<u>206,121</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>206,121</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	<u>16,064</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>16,064</u>
Total U.S. Department of Agriculture			<u>283,733</u>
U.S. Department of Interior			
<i>Passthrough State of New Mexico Department of Education</i>			
Johnson O'Malley	25131	15.130	<u>13,565</u>
Total U.S. Department of Interior			<u>13,565</u>
Total Federal Financial Assistance			<u><u>\$ 1,961,445</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, 2012

Schedule IV
(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, 2012 was \$16,064 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	\$ 1,961,445
Total expenditures funded by other sources	<u>6,148,047</u>
Total expenditures	<u><u>8,109,492</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, 2012

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
10.555	School Lunch Program

- | | |
|---|-----------|
| 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, 2012

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 test-work of credit card usage and transactions, we discovered open charge accounts where balances can be carried forward and are susceptible to incurring penalties and interest. Such accounts are similar to a credit card and are not allowed. The District is also utilizing an actual credit card for some purchases.

Cause: Because of its geographical location, the District finds it necessary to use the credit card and the open charge accounts to conduct business.

Effect: The District is not in compliance with state statutes governing the use of credit cards.

Recommendation: The District should attempt to obtain a procurement card which would allow it discontinue use of its credit card and the open charge accounts which are similar to a credit card.

Management’s Response: Due to our geographic location and the rural nature of our school and community, it becomes necessary for us to utilize open accounts as a way to insure that we meet the needs of our students. While we recognize that credit cards and accounts are discouraged, we also take our responsibility to provide for our students in the most financially judicious manner very seriously.

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>\$ 169</u>
Total	<u>\$ 169</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.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

FS 12-01 – Budget Compliance – Control Deficiency

Criteria: 22-8-11-B NMSA 1978 requires that no District or employee of a District shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department.

Condition: The District re-budgeted “cash balance” in excess of available cash in the Impact Aid Indian Special Education Special Revenue Fund as shown below:

<u>Designated Cash</u>	<u>Available Cash</u>	<u>Cash Appropriation In Excess of Cash</u>
\$ 50,000	\$ 49,788	\$ 222

Cause: The District did not ensure sufficient prior year cash balances before submitting the budget adjustment request to PED.

Effect: The District budgeted more cash than they actually had, and could have created a cash deficit in that fund during 2012.

Auditors’ Recommendations: We recommend that the District review prior year audited cash balances before submitting budget adjustment requests for budgeted cash, to ensure sufficient balances exist.

Management’s 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.

FS 12-02 -- Audit Report Not Submitted Timely – Other Matter

Criteria: Audit reports not received on or before the due date of November 15, are considered to be in non-compliance with requirements of section 2.2.2.9A of the State Audit Rule.

Condition: The District’s audit report for the year ended June 30, 2012 was not submitted to the State Auditor by the required due date, December 15, 2012. The report was submitted to the State Auditor’s Office on November 21, 2012..

Cause: The independent auditors encountered some technical issues which delayed final completion of the audit report for the year ended June 30, 2012.

Effect: The audit report was not available on a timely basis for use by legislators and regulators.

Auditors’ Recommendations: The auditor encountered technical difficulties with the software program and was not able to complete the audit by the timeline. The independent auditors will take measures to ensure this does not occur again.

Management’s Response: This finding is completely and totally 100% the responsibility of the auditing firm. Our audit was completed well in advance of any deadlines and we were assured at our exit meeting that the audit would be submitted in a timely manner and that the firm experienced no difficulty in the completion of the audit.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section III – Federal Award Findings

None.

Section IV – Prior Year Audit Findings

FS 11-01 – Credit Cards – *Repeated*
FS 11-02 – Stale Dated Checks – *Resolved*
FS 11-03 – Exceeded Budget Authority – *Repeated*

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 12, 2012. The following individuals were in attendance.

Magdalena Municipal School District

Mike Chambers, Superintendent
R. Dorothy Zamora, Business Manager
Barbara Gordon, Board Member
Randell Major, Board Member
Tom Justice, Audit Committee Member

Griego Professional Services, LLC

David Baca