

**STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS**

Audit Report

For the Year Ended June 30, 2011

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
Melrose, New Mexico

STATE OF NEW MEXICO
Melrose Municipal Schools

Official Roster
For the year ended June 30, 2011

BOARD OF EDUCATION

Ben Widener President
Scott Dickerman Vice-President
Keith McAlister Secretary
Jubal Pierce Member
Neal Delk Member

SCHOOL OFFICIALS

Jamie Widner Superintendent
Pamela Beevers Business Manager

STATE OF NEW MEXICO
Melrose Municipal Schools
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June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor
And the Board of Education
Melrose Municipal Schools
Melrose, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund of the Melrose Municipal Schools, as of and for the year ended June 30, 2011, which collectively comprise the Melrose Municipal School's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Melrose Municipal School's nonmajor governmental funds, and the budgetary comparisons for the major capital project fund and debt service funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

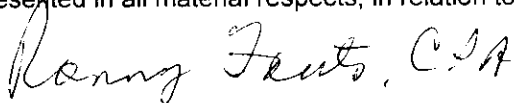
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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 the District, as of June 30, 2011, and the respective changes in financial position and the budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011 and the respective changes in financial position, and the respective budgetary comparisons for the major capital project fund and debt service funds and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2011, on our consideration of Melrose Municipal School'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.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplementary 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 the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.



Ronny Fouts, CPA
Melrose, New Mexico
November 10, 2011

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
STATEMENT OF NET ASSETS

June 30, 2011

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 1,502,727
Taxes Receivable	189
Due from other Governments	26,855
Inventories	1,223
Non-current Capital Assets - Net	<u>3,242,111</u>
TOTAL ASSETS	<u><u>\$ 4,773,105</u></u>
 LIABILITIES	
Current:	
Accounts Payable	\$ -
Accrued Interest	-
Debt Due Within One Year	-
Total Current Liabilities	<u>-</u>
Non-current	
Debt Due in More Than One Year	<u>1,100,000</u>
Total Non-current Liabilities	<u>1,100,000</u>
TOTAL LIABILITIES	<u>1,100,000</u>
 NET ASSETS	
Invested in capital assets, net of related debt	2,142,111
Restricted	1,289,944
Unrestricted	<u>241,050</u>
TOTAL NET ASSETS	<u><u>\$ 3,673,105</u></u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
STATEMENT OF ACTIVITIES

Year ended June 30, 2011

Functions/Programs	Program Revenues				Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
Primary Government:					
Governmental activities:					
Instruction	\$ 1,691,977	\$ -	\$ 357,725	\$ -	\$ (1,334,252)
Support Services					
Students	195,846	25,474	-	-	(170,372)
Instruction	68,438	-	-	-	(68,438)
General Administration	137,775	-	-	-	(137,775)
School Administration	162,934	-	-	-	(162,934)
Central Services	84,325	-	-	-	(84,325)
Operation & Maintenance of Plant	474,684	-	-	-	(474,684)
Student Transportation	293,953	-	-	-	(293,953)
Other Support Services	4,392	-	-	-	(4,392)
Community Service	-	-	-	-	-
Food service	98,322	27,647	56,808	-	(13,867)
Debt Interest Paid	-	-	-	-	-
Total Governmental Activities	\$ 3,212,646	\$ 53,121	\$ 414,533	\$ -	(2,744,992)

General Revenues	
Property taxes:	
Levied for general purposes	11,191
Levied for debt service	19
Levied for capital projects	44,902
State aid not restricted	2,523,292
Unrestricted investment earnings	4,921
Other Local Revenues	1,858
Total general revenues	<u>2,586,183</u>
Change in net assets	(158,809)
Net assets beginning	<u>3,831,914</u>
Net Assets- ending	<u>\$ 3,673,105</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2011

	GENERAL FUND	DEBT SERVICE	BOND BUILDING
ASSETS			
Cash on Deposit	\$ 214,157	\$ 380	\$1,062,269
Taxes Receivable	38	-	-
Due from other Funds	26,855	-	-
Due from other Governments	-	-	-
Inventories	-	-	-
TOTAL ASSETS	\$ 241,050	\$ 380	\$1,062,269
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Deferred Revenue	-	-	-
TOTAL LIABILITIES	-	-	-
FUND BALANCE			
Fund Balance			
Nonspendable	-	-	-
Restricted	-	380	1,062,269
Committed	-	-	-
Assigned	-	-	-
Unassigned	241,050	-	-
TOTAL FUND BALANCE	241,050	380	1,062,269
TOTAL LIABILITIES AND FUND BALANCE	\$ 241,050	\$ 380	\$1,062,269

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

SB-9		
CAPITAL	OTHER	TOTAL
IMPROVEMENTS	GOVERNMENTAL	GOVERNMENTAL
BUILDING	FUNDS	FUNDS
\$ 187,281	\$ 38,640	\$ 1,502,727
151	-	189
-	-	26,855
-	26,855	26,855
-	1,223	1,223
<u>\$ 187,432</u>	<u>\$ 66,718</u>	<u>\$ 1,557,849</u>

\$ -	\$ -	\$ -
-	26,855	\$ 26,855
-	-	-
<u>-</u>	<u>26,855</u>	<u>26,855</u>

-	1,223	1,223
187,432	33,947	1,284,028
-	185	185
-	4,508	4,508
-	-	241,050
<u>187,432</u>	<u>39,863</u>	<u>1,530,994</u>
<u>\$ 187,432</u>	<u>\$ 66,718</u>	<u>\$ 1,557,849</u>

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

June 30, 2011

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

Fund Balance - total governmental funds	\$ 1,530,994
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	3,242,111
Long Term debt is not due and payable in the current period and therefore are not reported in the funds:	<u>(1,100,000)</u>
Net assets of governmental activities	<u>\$ 3,673,105</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year ended June 30, 2011

	GENERAL FUND	DEBT SERVICE	BOND BUILDING
REVENUE			
Federal Aid	\$ -	\$ -	\$ -
State Aid	2,513,572	-	-
Property taxes	11,191	19	-
Interest	3,035	-	663
Insurance recoveries/refunds	-	-	-
Other local sources	1,807	-	-
TOTAL REVENUES	2,529,605	19	663
EXPENDITURES			
Current			
Instruction	1,271,908	-	-
Support Services			
Students	187,907	-	-
Instruction	68,438	-	-
General Administration	137,775	-	-
School Administration	155,721	-	-
Central Services	82,484	-	-
Operation & Maintenance of Plant	325,620	-	-
Transportation of students	293,953	-	-
Other Support Services	4,392	-	-
Community services	-	-	-
Food Service	9,514	-	-
Non-current			
Principal Retirement	-	-	-
Bond Interest	-	-	-
Facilities and construction	-	-	38,394
TOTAL EXPENDITURES	2,537,712	-	38,394
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,107)	19	(37,731)
OTHER FINANCING SOURCES (USES)			
Sale of Bonds	-	-	1,100,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	1,100,000
NET CHANGE IN FUND BALANCES	(8,107)	19	1,062,269
FUND BALANCE - JUNE 30, 2010	249,157	361	-
FUND BALANCE - JUNE 30, 2011	\$ 241,050	\$ 380	\$ 1,062,269

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

SB-9 CAPITAL IMPROVEMENTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 414,533	\$ 414,533
-	9,720	2,523,292
44,902	-	56,112
1,197	26	4,921
-	-	-
52	53,121	54,980
<u>46,151</u>	<u>477,400</u>	<u>3,053,838</u>
-	353,319	1,625,227
-	7,939	195,846
-	-	68,438
-	-	137,775
-	7,213	162,934
-	1,841	84,325
-	23,516	349,136
-	-	293,953
-	-	4,392
-	-	-
-	88,808	98,322
-	-	-
-	-	-
<u>49,348</u>	<u>-</u>	<u>87,742</u>
<u>49,348</u>	<u>482,636</u>	<u>3,108,090</u>
(3,197)	(5,236)	(54,252)
-	-	1,100,000
-	-	1,100,000
(3,197)	(5,236)	1,045,748
<u>190,629</u>	<u>45,099</u>	<u>485,246</u>
<u>\$ 187,432</u>	<u>\$ 39,863</u>	<u>\$ 1,530,994</u>

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE-
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

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

Net change in fund balance - total governmental funds	\$ 1,045,748
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.	(104,556)
Long term debt 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	
Bonds Issued	(1,100,000)
Rounding	<u>(1)</u>
Change in Net Assets	<u>\$ (158,809)</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - GENERAL FUND - 11000, 13000, & 14000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	2,582,252	2,566,589	2,513,572	(53,017)
Property Taxes	11,058	11,058	11,191	133
Local Revenue	-	-	1,807	1,807
Contributions, donations	-	-	-	-
Income from Investments	6,000	6,000	3,035	(2,965)
TOTAL REVENUE	2,599,310	2,583,647	\$ 2,529,605	\$ (54,042)
BUDGETED CASH BALANCE	253,835	253,835		
TOTAL REVENUE & CASH	\$ 2,853,145	\$ 2,837,482		
EXPENDITURES				
Current				
Instruction	\$ 1,476,505	\$ 1,413,508	\$ 1,283,905	\$ 129,603
Support Services				
Students	194,661	194,661	187,907	6,754
Instruction	63,187	69,897	68,438	1,459
General Administration	126,061	155,850	137,775	18,075
School Administration	165,875	165,875	155,721	10,154
Central Services	83,343	83,343	82,484	859
Operation & Maintenance of Plant	396,975	386,299	325,620	60,679
Student Transportation	299,564	293,953	293,953	-
Other Support Services	13,666	18,545	4,392	14,153
Community services	-	-	-	-
Food Services	33,308	11,808	9,514	2,294
Facilities Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	\$ 2,853,145	\$ 2,793,739	\$ 2,549,709	\$ 244,030

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,529,605
Differences budget to GAAP	
Prior Year receivable	(38)
Change in deferred taxes	-
Current Year receivable	38
Total Revenues (GAAP Basis)	\$ 2,529,605

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,549,709
Differences-budget to GAAP	
Prior year payable	(11,997)
Current year payable	-
Total Expenditures (GAAP Basis)	\$ 2,537,712

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2011

<u>ASSETS</u>	Agency Funds
Pooled Cash and Investments	<u>\$ 53,680</u>
<u>LIABILITIES</u>	
Liabilities:	
Deposits held for others	<u>\$ 53,680</u>

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Melrose Municipal Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education – superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental 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 has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District 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.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

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 general long-term debt.

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to Financial Statements
June 30, 2011

General Fund – The General Fund consists of three sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

Special Revenue Funds

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

Capital Projects Fund

The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund

The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

MAJOR FUNDS

The District reports the following major governmental funds:

General Fund

The General Fund consists of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District no encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Notes to Financial Statements
June 30, 2011

Capital Projects Fund

The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund

The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

MAJOR FUNDS

The District reports the following major governmental funds:

General Fund

The General Fund consists of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

DEBT SERVICE FUND

Debt Service Fund

This fund 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.

CAPITAL PROJECT FUNDS

Senate Bill Nine

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements and maintenance of facilities.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function; 2) program-specific operating grants such as Transportation, Food Service and other special revenue funds, and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes

Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants

Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are 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.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are paid prior to the end of the fiscal year.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

A. Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department as estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. 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 SBPU.
5. No school board or officer or employee of the District shall make any expenditure or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.

STATE OF NEW MEXICO
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Notes to Financial Statements

June 30, 2011

5. No school board or officer or employee of the District shall make any expenditure or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the 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 the 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 adjustments.

Cash and Cash Equivalents

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.

The District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in:

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities

at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be

A. Receivables and Payables

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report property taxes at full accrual was not available during the year.

B. Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County Treasurer 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. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

C. Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

D. Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual items are used (consumption method). Reported 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

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E. Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 per Section 12-6-10 NMSA 1978 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 years

F. Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

G. Short-Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

H. Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

I. Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets used are either.

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Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

J. Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Unreserved fund balance indicated that portion of fund equity which is available for budgeting in future years.

K. 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 as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

L. Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

M. Compensated Absences

It is the policy of the District to permit certain employees to accumulate a limited amount of earned but unused vacation, which will not be paid to employees upon separation from the school districts' service. In governmental funds, the cost of vacations is recognized when payments are made to employees. No accrual for accumulated compensated absences has been made.

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

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>American Heritage</u>	Reconciled Per Bank 6/30/2011	Reconciled Balance	Type
Operational	\$ 215,351	\$ 71,039	Checking
Cafeteria	924	482	Checking
Activity	5,887	3,048	Checking
Athletic	284	185	Checking
SB-9	319	319	Checking
Bond Building	306	306	
Debt Service	380	380	Checking
FTD Clearing Account	-	-	Checking
Money Market Fund	1,464,298	1,464,298	Savings
Melrose School	16,350	16,350	CD
TOTAL Deposited	<u>1,704,099</u>	<u>\$ 1,556,407</u>	
Less: FDIC Coverage	<u>473,451</u>		
Uninsured Amount	1,230,648		
50% Collateral requirement	615,324		
Pledged securities.	<u>660,000</u>		
Over (Under) requirement	<u>\$ 44,676</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at American Heritage:

<u>Description</u>	<u>CUSIP #</u>	<u>Fair Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLB	3133MTRK6	\$ 660,000	*	TIB
		<u>\$</u>		

* Texas Independent Bank,
Dallas, Texas

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Custodial Credit Risk-Deposits

<u>Depository Account</u>		Bank Balance 6/30/2011
Insured	\$	<u>473,451</u>
Collateralized:		
Collateral held by the pledging bank in District's name		660,000
Uninsured and uncollateralized		<u>570,648</u>
Total Deposits	\$	<u><u>1,704,099</u></u>

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. As of June 30, 2011 \$570,648 of the District's bank balance of \$1,704,099, was exposed to custodial credit risk.

C: RECEIVABLES AND INTERFUND BALANCES

Receivables consist of the following:

	General Operational	State Fiscal Stabilization	SB-9	Other Governmental Funds
Property Taxes	\$ 38	\$	\$ 151	\$ -
Due from Grantor				26,855
	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 151</u>	<u>\$ \$ 26,855</u>

The interfund balance for June 30, 2011 were as follows,

<u>From:</u>	<u>To:</u>	<u>Amount</u>
Operation	Other Governmental Funds	\$ 26,855
	Total Interfund Balances	<u><u>\$ 26,855</u></u>

The above interfund balances were made to cover short falls and will be repaid within one year.

D: TAXES RECEIVABLE

Following is a schedule of property taxes receivables as of June 30, 2011:

	General Fund	Senate Bill Nine	Other Governmental Funds	Total
Property Taxes Rceivable:				
Available	\$ 38	\$ 151	\$	\$ 189
Unavailable				
TOTAL Property Taxes	<u>\$ 38</u>	<u>\$ 151</u>	<u>\$</u>	<u>\$ 189</u>

E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2011:

Federal Agencies	\$ 26,855
Total	<u><u>\$ 26,855</u></u>

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F: DEFERRED REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. There were no Deferred Revenues for the year ended June 30, 2011.

G: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2011, is as follows:

	Balance 6/30/2010		Increases		Decreases		Balance 6/30/2011	
Governmental Activities								
Capital Assets, not being Depreciated								
Land	\$	27,672	\$	-	\$	-	\$	27,672
Total Capital Assets, not being Depreciated	\$	27,672	\$	-	\$	-	\$	27,672
Capital Assets, being Depreciated								
Buildings & Improvements		8,921,283						8,921,283
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		1,120,348		23,670		57,069		1,086,949
Total Capital Assets, being Depreciated		10,041,631		23,670		57,069		10,008,232
Total Capital Assets		10,069,303		23,670		57,069		10,035,904
Less Accumulated Depreciation								
Buildings & Improvements		5,549,433		61,476		-		5,610,909
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		1,173,203		66,750		57,069		1,182,884
Total Accumulated Depreciation		6,722,636		128,226		57,069		6,793,793
Capital Assets, net	\$	3,346,667	\$	(104,556)	\$	-	\$	3,242,111

H: LONG-TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	6/30/2010		Additions		Reductions		6/30/2011		Amounts Due Within One Year
Governmental Activities									
Bonds and Notes Payable									
General Obligation Bonds	\$	-	\$	1,100,000	\$	-	\$	1,100,000	\$ -
Total Bonds	\$	-	\$	1,100,000	\$	-	\$	1,100,000	\$ -

Payments on the general obligation bonds are made by the Debt Service Funds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making addition to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they come due:

Date of Issue	Original Amount	Interest Rate	Balance
5/13/2011	\$1,100,000	25 3.359	\$1,100,000

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$0	\$23,943	\$23,943
2013	55,000	33,028	\$88,028
2014	70,000	32,069	\$102,069
2015	75,000	30,756	\$105,756
2016	80,000	29,092	\$109,092
2017-2021	475,000	107,282	\$582,282
2022-2026	345,000	20,069	\$365,069
	<u>\$1,100,000</u>	<u>\$276,239</u>	<u>\$1,376,239</u>

H: COMMITMENTS

The District has no construction commitments at June 30, 2011.

I: PENSION PLAN

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

Effective July 1, 2009, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution will increase .75% each year until July, 1, 2011 when the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$3,340,080, \$332,396 respectively, which equal the amount of the required contributions for each fiscal year.

J: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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Notes to Financial Statements
June 30, 2011

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementay 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.

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 Authority issues a separate, publicly availabel audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma NW, Suite 200, Albuquerque, New Mexico 87102.

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

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

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

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

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

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$32,048, \$32,668, \$33,288, respectively, which equal the required contributions for each year.

K: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis that are:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Reconciliations are located at the bottom of each budget actual.

L: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual Premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

M: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

N. JOINT POWERS AGREEMENTS

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The revenue and expenditures are reported in IDEA, Part B Entitlement, IDEA, Part B, Discretionary and IDEA, Part B Preschool.

The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

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STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - DEBT SERVICE FUND -41000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 129	\$ 129	\$ 19	\$ (110)
Investment Income	-	-	-	-
TOTAL REVENUE	129	129	\$ 19	\$ (110)
BUDGETED CASH BALANCE	361	361		
TOTAL REVENUE & CASH	\$ 490	\$ 490		
EXPENDITURES				
Current				
General Administration	\$ -	\$ -	\$ -	\$ -
Debt Service				
Principal Retirement	-	-	-	-
Bond Interest	-	-	-	-
Non-operating Reserves	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 19
Differences budget to GAAP	
Prior Year receivable	-
Change in deferred taxes	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 19

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Prior year Principal due	-
Prior year interest due	-
Total Expenditures (GAAP Basis)	\$ -

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

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STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - CAPITAL PROJECTS - BOND BUILDING FUND -31100

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Sale of Bonds	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -
Other Local Income	-	-	-	-
Investment Income	-	-	663	663
TOTAL REVENUE	-	1,100,000	\$ 1,100,663	\$ 663
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 1,100,000		
EXPENDITURES				
Current				
Facilities and construction	\$ -	\$ 1,100,000	\$ 38,394	\$ 1,061,606
TOTAL EXPENDITURES	\$ -	\$ 1,100,000	\$ 38,394	\$ 1,061,606

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,100,663
Differences budget to GAAP	
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 1,100,663

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 38,394
Differences-budget to GAAP	
Current Year Accounts Payable	-
Total Expenditures (GAAP Basis)	\$ 38,394

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - CAPITAL PROJECTS - SB-9 CAPITAL IMPROVEMENTS FUND -31700

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Taxes	\$ 44,230	\$ 44,230	\$ 44,751	\$ 521
Insurance recoveries	-	-	-	
Investment Income	2,000	2,000	1,197	(803)
TOTAL LOCAL REVENUE	46,230	46,230	45,948	(282)
State Revenue				
State flowthrough	-	43,474	-	(43,474)
TOTAL FEDERAL REVENUE	-	43,474	-	(43,474)
TOTAL REVENUE	46,230	89,704	\$ 45,948	\$ (43,756)
BUDGETED CASH BALANCE	292,119	292,119		
TOTAL REVENUE & CASH	\$ 338,349	\$ 381,823		
EXPENDITURES				
Current				
Facilities and construction	338,349	381,823	50,240	331,583
TOTAL EXPENDITURES	\$ 338,349	\$ 381,823	\$ 50,240	\$ 331,583

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 45,948
Differences budget to GAAP	
Prior Year receivable	-
Change in deferred taxes	-
Current Year receivable	151
Total Revenues (GAAP Basis)	\$ 46,099

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 50,240
Differences-budget to GAAP	
Prior year accounts payable	(892)
Total Expenditures (GAAP Basis)	\$ 49,348

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET - GENERAL FUNDS

June 30, 2011

	OPERATIONAL TRANSPORTATION		INSTRUCTIONAL MATERIALS		TOTAL GENERAL FUND
	11000	13000	14000		
ASSETS					
Cash on Deposit	\$ 214,057	\$ 1	\$ 99	\$	214,157
Taxes Receivable	38	-	-		38
Due from other Funds	26,855	-	-		26,855
Due from other Governments	-	-	-		-
Inventories	-	-	-		-
TOTAL ASSETS	\$ 240,950	\$ 1	\$ 99	\$	241,050
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ -	\$ -	\$ -	\$	-
Deferred Revenue	-	-	-		-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCE					
Fund Balance					
Nonspendable	-	-	-		-
Restricted	-	-	-		-
Committed	-	-	-		-
Assigned	-	-	-		-
Unassigned	240,950	1	99		241,050
TOTAL FUND BALANCE	240,950	1	99		241,050
TOTAL LIABILITIES AND FUND BALANCE	\$ 240,950	\$ 1	\$ 99	\$	241,050

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUNDS

Year ended June 30, 2011

	OPERATIONAL 11000	TRANSPORTATION 13000	INSTRUCTIONAL MATERIALS 14000	TOTAL GENERAL FUND
REVENUE				
Federal Aid	\$ -	\$ -	\$ -	\$ -
State Aid	2,211,359	293,953	8,260	2,513,572
Property taxes	11,191	-	-	11,191
Interest	1,807	-	-	1,807
Refunds/ reimbursements	-	-	-	-
Other local sources	3,035	-	-	3,035
TOTAL REVENUES	2,227,392	293,953	8,260	2,529,605
EXPENDITURES				
Current				
Instruction	1,261,084	-	10,824	1,271,908
Support Services				
Students	187,907	-	-	187,907
Instruction	68,438	-	-	68,438
General Administration	137,775	-	-	137,775
School Administration	155,721	-	-	155,721
Central Services	82,484	-	-	82,484
Operation & Maintenance of Plant	325,620	-	-	325,620
Transportation of students	-	293,953	-	293,953
Other support services	4,392	-	-	4,392
Food Service	9,514	-	-	9,514
Community Services	-	-	-	-
Non-current				
Facilities and construction	-	-	-	-
TOTAL EXPENDITURES	2,232,935	293,953	10,824	2,537,712
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,543)	-	(2,564)	(8,107)
FUND BALANCE - JUNE 30, 2010	246,493	1	2,663	249,157
FUND BALANCE - JUNE 30, 2011	\$ 240,950	\$ 1	\$ 99	\$ 241,050

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - GENERAL FUND - OPERATIONAL - 11000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	2,274,638	2,264,470	2,211,359	(53,111)
Property Taxes	11,058	11,058	11,191	133
Local Revenue	-	-	1,807	1,807
Contributions, donations	-	-	-	-
Income from Investments	6,000	6,000	3,035	(2,965)
TOTAL REVENUE	2,291,696	2,281,528	\$ 2,227,392	\$ (54,136)
BUDGETED CASH BALANCE	245,054	245,054		
TOTAL REVENUE & CASH	\$ 2,536,750	\$ 2,526,582		

EXPENDITURES

Current

Instruction	\$ 1,459,674	\$ 1,396,561	\$ 1,269,393	\$ 127,168
Support Services				
Students	194,661	194,661	187,907	6,754
Instruction	63,187	69,897	68,438	1,459
General Administration	126,061	155,850	137,775	18,075
School Administration	165,875	165,875	155,721	10,154
Central Services	83,343	83,343	82,484	859
Operation & Maintenance of Plant	396,975	386,299	325,620	60,679
Student Transportation	-	-	-	-
Other Support Services	13,666	18,545	4,392	14,153
Community services	-	-	-	-
Food Services	33,308	11,808	9,514	2,294
Facilities Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	\$ 2,536,750	\$ 2,482,839	\$ 2,241,244	\$ 241,595

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,227,392
Differences budget to GAAP	
Prior Year receivable	(38)
Change in deferred taxes	-
Current Year receivable	38
Total Revenues (GAAP Basis)	\$ 2,227,392

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,241,244
Differences-budget to GAAP	
Prior year payable	(8,309)
Current year payable	-
Total Expenditures (GAAP Basis)	\$ 2,232,935

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - GENERAL FUND - TRANSPORTATION - 13000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 299,564	\$ 293,953	\$ 293,953	\$ -
TOTAL REVENUE	299,564	293,953	<u>293,953</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 299,564</u>	<u>\$ 293,953</u>		
EXPENDITURES				
Current				
Student Transportation	\$ 299,564	\$ 293,953	\$ 293,953	\$ -
TOTAL EXPENDITURES	<u>\$ 299,564</u>	<u>\$ 293,953</u>	<u>\$ 293,953</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 293,953
Differences budget to GAAP	
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 293,953</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 293,953
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 293,953</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - GENERAL FUND - INSTRUCTIONAL MATERIALS - 14000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ 8,050	\$ 8,166	\$ 8,260	\$ 94
TOTAL REVENUE	8,050	8,166	<u>8,260</u>	<u>94</u>
BUDGETED CASH BALANCE	<u>8,781</u>	<u>8,781</u>		
TOTAL REVENUE & CASH	<u>\$ 16,831</u>	<u>\$ 16,947</u>		
EXPENDITURES				
Current				
Instruction	\$ 16,831	\$ 16,947	\$ 14,512	\$ 2,435
Support Services				
Instruction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 16,831</u>	<u>\$ 16,947</u>	<u>\$ 14,512</u>	<u>\$ 2,435</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 8,260
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 8,260</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 14,512
Differences-budget to GAAP	
Prior year Accounts Payable	\$ (3,688)
Total Expenditures (GAAP Basis)	<u>\$ 10,824</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2011

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106	IDEA-B PRESCHOOL 24109	IDEA-B RISK POOL 24120	TEACHER PRINCIPAL TRAINING 24154
ASSETS							
Cash on Deposit	\$ 4,508	\$ 185	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other Governments	-	-	-	-	843	-	-
Inventories	1,223	-	-	-	-	-	-
TOTAL ASSETS	\$ 5,731	\$ 185	\$ -	\$ -	\$ 843	\$ -	\$ -
LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	843	-	-
Deferred Revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	843	-	-
FUND BALANCE							
Fund Balance							
Nonspendable	1,223	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	185	-	-	-	-	-
Assigned	4,508	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCE	5,731	185	-	-	-	-	-
TOTAL LIABILITIES & FUND BALANCE	\$ 5,731	\$ 185	\$ -	\$ -	\$ 843	\$ -	\$ -

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

SAFE & DRUG FREE SCHOOLS 24157	ENTITLEMENT STIMULUS 24206	PRESCHOOL FEDERAL STIMULUS 24209	RURAL ED ACHIEVEMENT PROGRAM 25233	SEG FEDERAL STIMULUS 25250	EDUCATION JOB FUND 25255	ITFS FCC 26111	RURAL VISION 26127	STATE DIRECTED ACTIVITIES 27200	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,600	\$ 24,347	\$ -	\$ 38,640
-	17,978	-	-	-	8,034	-	-	-	26,855
-	-	-	-	-	-	-	-	-	1,223
\$ -	\$ 17,978	\$ -	\$ -	\$ -	\$ 8,034	\$ 9,600	\$ 24,347	\$ -	\$ 66,718
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	17,978	-	-	-	8,034	-	-	-	26,855
-	-	-	-	-	-	-	-	-	-
-	17,978	-	-	-	8,034	-	-	-	26,855
-	-	-	-	-	-	-	-	-	1,223
-	-	-	-	-	-	9,600	24,347	-	33,947
-	-	-	-	-	-	-	-	-	185
-	-	-	-	-	-	-	-	-	4,508
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,600	24,347	-	39,863
\$ -	\$ 17,978	\$ -	\$ -	\$ -	\$ 8,034	\$ 9,600	\$ 24,347	\$ -	\$ 66,718

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2011

	FOOD SERVICE 21000	ATHLETIC 22000	TITLE I 24101	IDEA-B ENTITLEMENT 24106
REVENUES				
Federal Aid	\$ 56,808	\$ -	\$ 78,286	\$ 49,533
State Aid	-	-	-	-
Local revenues	27,647	25,474	-	-
Interest	26	-	-	-
TOTAL REVENUES	84,481	25,474	78,286	49,533
EXPENDITURES				
Current				
Instruction	-	25,697	78,286	49,533
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Service	88,808	-	-	-
Facilities Acquisition & Construction	-	-	-	-
TOTAL EXPENDITURES	88,808	25,697	78,286	49,533
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,327)	(223)	-	-
FUND BALANCE- JUNE 30, 2010	10,058	408	-	-
FUND BALANCE - JUNE 30, 2011	\$ 5,731	\$ 185	\$ -	\$ -

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

IDEA -B PRESCHOOL 24109	IDEA-B RISK POOL 24120	TEACHER PRINCIPAL TRAINING 24154
\$ 3,501	\$ 449	\$ 14,614
-	-	-
-	-	-
-	-	-
<u>3,501</u>	<u>449</u>	<u>14,614</u>
3,501	449	14,614
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>3,501</u>	<u>449</u>	<u>14,614</u>
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS

Year ended June 30, 2011

	ENTITLEMENT FED STIM 24206	PRESCHOOL FED STIM 24209	RURAL ED ACHIEVEMENT PROGRAM 25233	SEG FEDERAL STIMULUS 25250	EDUCATION JOB FUND 25255
REVENUES					
Federal Aid	\$ 26,887	\$ 1,007	\$ 21,062	\$ 23,516	\$ 63,355
State Aid	-	-	-	-	-
Local revenues	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL REVENUES	26,887	1,007	21,062	23,516	63,355
EXPENDITURES					
Current					
Instruction	19,674	1,007	19,627	-	63,355
Support Services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	7,213	-	-	-	-
Central Services	-	-	1,435	-	-
Operation & Maintenance of Plant	-	-	-	23,516	-
Student Transportation	-	-	-	-	-
Food Service	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-
TOTAL EXPENDITURES	26,887	1,007	21,062	23,516	63,355
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE- JUNE 30, 2010	-	-	-	-	-
FUND BALANCE - JUNE 30, 2011	\$ -	\$ -	\$ -	\$ -	\$ -

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

ITFS FCC 26111	RURAL VISION 26127	HUBBARD FOUNDATION 26146	2008 GO BOND STUDENT 27105	TECHNOLOGY FOR EDUCATION 27117	STATE DIRECTED ACTIVITIES 27200	COMBINED
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,509	\$ 414,533
1,200	-	8,520	-	-	-	9,720
-	-	-	-	-	-	53,121
-	-	-	-	-	-	26
1,200	-	8,520	-	-	75,509	477,400
-	-	8,114	-	1,886	67,570	353,319
-	-	-	-	-	7,939	7,939
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	7,213
-	-	406	-	-	-	1,841
-	-	-	-	-	-	23,516
-	-	-	-	-	-	-
-	-	-	-	-	-	88,808
-	-	-	-	-	-	-
-	-	8,520	-	1,886	75,509	482,636
-	-	-	-	-	-	-
1,200	-	-	-	(1,886)	-	(5,236)
-	-	-	-	-	-	-
8,400	24,347	-	-	1,886	-	45,099
-	-	-	-	-	-	-
\$ 9,600	\$ 24,347	\$ -	\$ -	\$ -	\$ -	\$ 39,863

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - FOOD SERVICE - 21000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 62,500	\$ 62,500	\$ 53,073	\$ (9,427)
State Aid	-	-	-	-
Local Revenue	29,600	29,600	27,647	(1,953)
Income from Investments	30	30	26	(4)
TOTAL REVENUE	92,130	92,130	\$ 80,746	\$ (11,384)
BUDGETED CASH BALANCE	12,436	12,436		
TOTAL REVENUE & CASH	\$ 104,566	\$ 104,566		
EXPENDITURES				
Current				
Food Service	104,566	104,566	84,060	20,506
TOTAL EXPENDITURES	\$ 104,566	\$ 104,566	\$ 84,060	\$ 20,506

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 80,746
Differences budget to GAAP	
Commodities received	3,735
Total Revenues (GAAP Basis)	\$ 84,481

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 84,060
Differences-budget to GAAP	
Commodites used	3,735
Change in Inventories	1,013
Total Expenditures (GAAP Basis)	\$ 88,808

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - ATHLETICS - 22000

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue				
Fees from activities	\$ 30,050	\$ 30,500	\$ 25,474	\$ (5,026)
Investment income	-	-	-	-
TOTAL REVENUE	<u>30,050</u>	<u>30,500</u>	<u>\$ 25,474</u>	<u>\$ (5,026)</u>
BUDGETED CASH BALANCE	<u>512</u>	<u>512</u>		
TOTAL REVENUE & CASH	<u>\$ 30,562</u>	<u>\$ 31,012</u>		
EXPENDITURES				
Current				
Instruction	\$ 30,562	\$ 30,562	\$ 25,697	\$ 4,865
TOTAL EXPENDITURES	<u>\$ 30,562</u>	<u>\$ 30,562</u>	<u>\$ 25,697</u>	<u>\$ 4,865</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 25,474
Differences budget to GAAP	
Prior Year deferral	-
Current Year deferral	-
Total Revenues (GAAP Basis)	<u>\$ 25,474</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 25,697
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 25,697</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - TITLE I - 24101

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 57,072	\$ 82,472	\$ 78,286	\$ (4,186)
TOTAL REVENUE	57,072	82,472	78,286	(4,186)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 57,072	\$ 82,472		
EXPENDITURES				
Current				
Instruction	\$ 57,072	\$ 82,472	\$ 78,286	\$ 4,186
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of plant	-	-	-	-
TOTAL EXPENDITURES	\$ 57,072	\$ 82,472	\$ 78,286	\$ 4,186

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 78,286
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ 78,286

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 78,286
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 78,286

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - IDEA - ENTITLEMENT - 24106

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 65,049	\$ 65,098	\$ 49,533	\$ (15,565)
TOTAL REVENUE	65,049	65,098	<u>49,533</u>	<u>(15,565)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 65,049</u>	<u>\$ 65,098</u>		
EXPENDITURES				
Current				
Instruction	\$ 65,049	\$ 65,098	\$ 49,533	\$ 15,565
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 65,049</u>	<u>\$ 65,098</u>	<u>\$ 49,533</u>	<u>\$ 15,565</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 49,533
Differences budget to GAAP	
Prior Year deferral	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 49,533</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 49,533
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 49,533</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - IDEA - PRESCHOOL - 24109

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 4,447	\$ 5,094	\$ 2,658	\$ (2,436)
TOTAL REVENUE	4,447	5,094	<u>2,658</u>	<u>(2,436)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 4,447</u>	<u>\$ 5,094</u>		
EXPENDITURES				
Current				
Instruction	\$ 4,447	\$ 5,094	\$ 3,501	\$ 1,593
TOTAL EXPENDITURES	<u>\$ 4,447</u>	<u>\$ 5,094</u>	<u>\$ 3,501</u>	<u>\$ 1,593</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 2,658
Differences budget to GAAP	
Prior Year deferral	-
Current Year Receivable	843
Total Revenues (GAAP Basis)	<u>\$ 3,501</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 3,501
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 3,501</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - IDEA-B RISK POOL - 24120

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 449	\$ 449	\$ -
TOTAL REVENUE	-	449	449	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 449		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 449	\$ 449	\$ -
TOTAL EXPENDITURES	\$ -	\$ 449	\$ 449	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 449
Differences budget to GAAP	-
Prior Year deferral	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	\$ 449

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 449
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 449

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - TEACHER/PRINCIPAL TRAINING - 24154

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ 14,444	\$ 14,712	\$ 14,614	\$ (98)
TOTAL REVENUE	14,444	14,712	\$ 14,614	\$ (98)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 14,444	\$ 14,712		
EXPENDITURES				
Current				
Instruction	\$ 14,444	\$ 14,712	\$ 14,614	\$ 98
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ 14,444	\$ 14,712	\$ 14,614	\$ 98

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 14,614
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 14,614

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 14,614
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 14,614

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - TITLE IV - 24157

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ -	\$ 6	\$ 396	\$ 390
TOTAL REVENUE	<u>-</u>	<u>6</u>	<u>\$ 396</u>	<u>\$ 390</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 6</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 6	\$ 6	\$ -
Support Services				
General Administration	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 396
Differences budget to GAAP	
Prior Year receivable	(390)
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 6</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 6
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 6</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - IDEA - ENTITLEMENT ARRA - 24206

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 26,887	\$ 8,909	\$ (17,978)
TOTAL REVENUE	-	26,887	8,909	(17,978)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 26,887		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 19,674	\$ 19,674	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
School Administration	-	7,213	7,213	-
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 26,887	\$ 26,887	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 8,909
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	17,978
Total Revenues (GAAP Basis)	\$ 26,887

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 26,887
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 26,887

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - IDEA - PRESCHOOL ARRA - 24209

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 1,007	\$ 1,007	\$ -
TOTAL REVENUE	<u>-</u>	<u>1,007</u>	<u>\$ 1,007</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,007</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,007	\$ 1,007	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,007</u>	<u>\$ 1,007</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,007
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	<u>\$ 1,007</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 1,007
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,007</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - RURAL EDUCATION ACHIEVEMENT - 25233

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 21,062	\$ 21,062	\$ -
TOTAL REVENUE	-	21,062	21,062	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 21,062		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 19,627	\$ 19,627	\$ -
Support Services	-	-	-	-
Central Services	-	1,435	1,435	-
TOTAL EXPENDITURES	\$ -	\$ 21,062	\$ 21,062	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 21,062
Differences budget to GAAP	-
Prior Year Deferral	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 21,062

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 21,062
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 21,062

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - SEG FEDERAL STIMULUS - 25250

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 23,421	\$ 23,516	\$ 35,409	\$ 11,893
TOTAL REVENUE	23,421	23,516	<u>35,409</u>	<u>11,893</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 23,421</u>	<u>\$ 23,516</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	23,421	23,516	23,516	-
TOTAL EXPENDITURES	<u>\$ 23,421</u>	<u>\$ 23,516</u>	<u>\$ 23,516</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 35,409
Differences budget to GAAP	
Prior Year receivable	(11,893)
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 23,516</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 23,516
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 23,516</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - EDUCATION JOB FUND - 25255

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ -	\$ 63,356	\$ 55,321	\$ (8,035)
TOTAL REVENUE	-	63,356	<u>55,321</u>	<u>(8,035)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 63,356		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 63,356	\$ 63,355	\$ 1
Supprt Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 63,356	<u>63,355</u>	<u>1</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 55,321
Differences budget to GAAP	
Prior Year Receiveable	-
Current Year Receiveable	8,034
Total Revenues (GAAP Basis)	<u>\$ 63,355</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 63,355
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 63,355</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - ITFSFCC - 26111

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ 8,400	\$ 8,400	\$ 1,200	\$ (7,200)
TOTAL REVENUE	8,400	8,400	1,200	(7,200)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	8,400	8,400		
EXPENDITURES				
Current				
Instruction	\$ 8,400	\$ 8,400	\$ -	\$ 8,400
Support Services				
Instruction	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	8,400	8,400	-	8,400

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 1,200
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	1,200

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	-

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - HUBBARD FOUNDATION - 26146

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Aid	\$ -	\$ 8,520	\$ 8,520	\$ -
TOTAL REVENUE	<u>-</u>	<u>8,520</u>	<u>8,520</u>	<u>-</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 8,520</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 8,114	\$ 8,114	\$ -
Support Services				
Instruction	-	-	-	-
Central Services	-	406	406	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 8,520</u>	<u>\$ 8,520</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 8,520
Differences budget to GAAP	-
Prior Year Receiveable	-
Current Year Receiveable	-
Total Revenues (GAAP Basis)	<u>\$ 8,520</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 8,520
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	<u>\$ 8,520</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - GO BONDS STUDENT LIBRARY FUND - 27105

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Aid	\$ -	\$ -	\$ 179	\$ 179
TOTAL REVENUE	-	-	<u>\$ 179</u>	<u>\$ 179</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Support Services				
Instruction	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 179
Differences budget to GAAP	
Prior Year Receivable	(179)
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ -</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND TECHNOLOGY FOR EDUCATION- 27117

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ 1,887	\$ -	\$ (1,887)
TOTAL REVENUE	-	1,887	-	(1,887)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	-	1,887		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,887	\$ 1,886	\$ 1
Support Services				
Instruction	-	-	-	-
General Administration	-	-	-	-
TOTAL EXPENDITURES	-	1,887	1,886	1

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences budget to GAAP	-
Prior Year fund deferral	-
Current Year deferral	-
Total Revenues (GAAP Basis)	\$ -

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 1,886
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 1,886

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - STATE DIRECTED ACTIVITIES - 27200

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 75,509	\$ 75,509	\$ -
TOTAL REVENUE	-	75,509	75,509	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ -	\$ 75,509		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 67,570	\$ 67,570	\$ -
Support Services				
Students	-	7,939	7,939	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 75,509	\$ 75,509	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 75,509
Differences budget to GAAP	
Prior Year receivable	-
Current Year receivable	-
Total Revenues (GAAP Basis)	\$ 75,509

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 75,509
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 75,509

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

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
SCHEDULE OF FIDUCIARY NET ASSETS AND LIABILITIES - AGENCY FUNDS

Year Ended June 30, 2011

	Beginning Balance 6/30/2010	Additions	Deletions	Ending Balance 6/30/2011
ASSETS				
General	\$ 3,618	\$ 4,546	\$ 7,082	\$ 1,082
FFA	1,603	21,588	21,500	1,691
FCCLA	5,072	9,844	9,678	5,238
Concession	3,323	12,682	15,867	138
BPA	4,287	21,202	21,347	4,142
Vo Ag Shop	249	-	-	249
Elementary	4,283	17,844	19,600	2,527
Football	3,735	1,992	3,510	2,217
Girls Athletics	1,940	584	2,047	477
Class of 2012	-	5,553	3,658	1,895
Class of 2011	1,130	907	1,613	424
Volleyball	3,617	-	3,196	421
Boys Athletics	556	867	1,361	62
Student Council	160	350	507	3
Yearbook	3,294	3,810	4,141	2,963
Activity Bus	1,323	17,089	10,611	7,801
Music	166	-	76	90
Interest	471	240	471	240
Cheerleaders	3,159	6,977	8,480	1,656
Class of 2010	161	-	-	161
Baseball	1,521	8,962	8,955	1,528
Science Club	2,125	1,770	1,711	2,184
Girls Track	115	577	551	141
Certificate of Deposit	16,067	283	-	16,350
Total Assets	\$ 61,975	\$ 137,667	\$ 145,962	\$ 53,680
LIABILITIES				
Deposits Held for Others	\$ 61,975	\$ 137,667	\$ 145,962	\$ 53,680
Total Liabilities	\$ 61,975	\$ 137,667	\$ 145,962	\$ 53,680

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
CASH RECONCILIATION
June 30, 2011

	Beginning Cash	Adjustments	Receipts	Distributions
Loving Municipal Schools				
Operational Account	\$ 254,764	\$ -	\$ 2,227,392	\$ (2,241,247)
Transportation	1	-	293,953	(293,953)
Instructional Materials	6,351	-	8,260	(14,512)
Food Services	7,822	-	80,745	(84,059)
Athletics	408	-	25,474	(25,697)
FederalFlowthrough	(390)	-	155,852	(174,282)
Federal Direct	(11,892)	-	111,791	(107,933)
Local Grants Fund	32,747	-	9,720	(8,520)
State Flowthrough	1,707	-	75,688	(77,395)
Bond Building	-	-	1,100,663	(38,394)
Capital Improvement SB-9	191,521	-	45,999	(50,239)
Debt Service	361	-	19	-
Student Activities	61,975	-	137,197	(145,492)
Total Loving Schools	<u>\$ 545,375</u>	<u>\$ -</u>	<u>\$ 4,272,753</u>	<u>\$ (3,261,723)</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Melrose Municipal Schools			
Operational	Checking	American Heritage	\$ 215,351
Cafeteria	Checking	American Heritage	924
Athletics	Checking	American Heritage	284
Activity	Checking	American Heritage	5,887
Bond Building	Checking	American Heritage	306
SB-9	Checking	American Heritage	319
Debt Service	Checking	American Heritage	380
Money Market	Savings	American Heritage	1,464,298
Activity Account	CD	American Heritage	16,350
Total Melrose Municipal Schools			<u>1,704,099</u>

Total Bank Balances	1,704,099
Reconciling Items	<u>(147,692)</u>
Report Balance	<u>\$ 1,556,407</u>

Other	Net Cash end of Period
\$ (26,852)	\$ 214,057
-	1
-	99
-	4,508
-	185
18,820	-
8,034	-
-	33,947
-	-
-	1,062,269
-	187,281
-	380
-	53,680
<u>\$ 2</u>	<u>\$ 1,556,407</u>

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

Hector Balderas, State Auditor
Melrose Municipal School and
Board of Education
Melrose, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparison presented as supplemental information of Melrose Municipal School as of and for the year ended June 30, 2011, and have issued our report thereon dated November 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Melrose Municipal School'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 agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Melrose Municipal School'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 reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Melrose Municipal School'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 disclose no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the agency, the audit committee, the State Auditor, the New Mexico Legislature, Public Education Department and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Ronny Fouts, CPA".

Ronny Fouts, CPA
Melrose, New Mexico
November 14, 2011

STATE OF NEW MEXICO
MELROSE MUNICIPAL SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Prior Year Audit Findings

10-01 Late Audit Report	Resolved.
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Current Year Audit Findings

There are no current year audit findings

Financial Statement Preparation

The financial statements were prepared by Ronny Fouts, CPA with the assistance of school personnel.

Exit Conference

An exit conference was held on November 14, 2011. Those present were Jubal Pierce, Board Member, Jamie Widner, Superintendent, Pamela Beevers, Business Manager, and Ronny Fouts, CPA.