

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

---

COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2010  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The logo for Keystone Accounting, LLC features a stylized 'K' and 'A' in a decorative, calligraphic font. The 'K' is on the left, and the 'A' is on the right, with the word 'KEYSTONE ACCOUNTING, LLC' written in a serif font between them. Below the logo, the text 'CERTIFIED PUBLIC ACCOUNTANTS' is written in a smaller, all-caps serif font.  
KEYSTONE ACCOUNTING, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

**THIS PAGE INTENTIONALLY LEFT BLANK**

## INTRODUCTORY SECTION

**THIS PAGE INTENTIONALLY LEFT BLANK**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TABLE OF CONTENTS  
Year Ended June 30, 2010

---

	Page
<b>INTRODUCTORY SECTION</b>	
Title Page	
Table of Contents	iii
Official Roster	1
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	5
Management's Discussion and Analysis	7
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet – All Governmental Funds to the Statement of Net Assets	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	22
Reconciliation of the Statement of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	24
Major Funds:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis): General Fund	25
Statement of Fiduciary Assets and Liabilities – Agency Funds	26
Notes to the Financial Statements	27
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</b>	
General Fund:	
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	52
Budgetary Presentation:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis): Operating Fund	54
Transportation Fund	55
Instructional Materials Fund	56

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TABLE OF CONTENTS  
Year Ended June 30, 2010

---

Nonmajor Governmental Funds:	
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	64
Budgetary Presentation:	
Schedule of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
Nonmajor Special Revenue Funds:	
Food Services Special Revenue Fund	81
Athletics Special Revenue Fund	82
Title I Special Revenue Fund	83
Entitlement IDEA-B Special Revenue Fund	84
Discretionary IDEA-B Special Revenue Fund	85
Preschool IDEA-B Special Revenue Fund	86
IDEA-B CEIS Special Revenue Fund	87
Education of Homeless Special Revenue Fund	88
Fresh Fruits and Vegetables Special Revenue Fund	89
Title I – 1003G Special Revenue Fund	90
Comprehensive School Reform Special Revenue Fund	91
Title III – Incentive Awards Special Revenue Fund	92
Title V Special Revenue Fund	93
Title III English Language Special Revenue Fund	94
Teacher/Principal Training Special Revenue Fund	95
Title IV Drug Free Schools Special Revenue Fund	96
Title I School Improvement Special Revenue Fund	97
Title III Immigrant Funding Special Revenue Fund	98
Reading First Special Revenue Fund	99
ARRA - Title I Special Revenue Fund	100
ARRA - Entitlement IDEA-B Special Revenue Fund	101
ARRA - Preschool IDEA-B Special Revenue Fund	102
ARRA - IDEA-B CEIS Special Revenue Fund	103
ARRA - McKinney Vento Homeless Special Revenue Fund	104
Title XIX Medicaid Special Revenue Fund	105
ARRA - State Revitalization Special Revenue Fund	106
LANL Foundation Special Revenue Fund	107
Wallace Foundation Special Revenue Fund	108
Dual Credit Instructional Materials Special Revenue Fund	109
GO Bond Library Special Revenue Fund	110
Technology for Education Special Revenue Fund	111
Incentives for School Improvement Special Revenue Fund	112
Beginning Teacher Mentoring Special Revenue Fund	113
Breakfast for Elementary Students Special revenue Fund	114
SINOI Special Revenue Fund	115
Schools on the Rise Special Revenue Fund	116
Library Books Special Revenue Fund	117
Dairy Max Special Revenue Fund	118

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TABLE OF CONTENTS  
Year Ended June 30, 2010

---

---

Budgetary Presentation:	
Schedule of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
Capital Projects Funds:	
Bond Building Capital Projects Fund	120
Special Capital Outlay – Local Capital Projects Fund	121
Special Capital Outlay – State Capital Projects Fund	122
Capital Improvements SB-9 Capital Projects Fund	123
Public School Capital Outlay – 20% Capital Projects Fund	124
Debt Service Funds:	
Debt Service Fund	127
OTHER SUPPLEMENTAL INFORMATION	
Fiduciary Funds:	
Schedule of Changes in Assets and Liabilities – All Agency Funds	130
Schedule of Pledged Collateral	131
Cash Reconciliation	132
SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements	
Performed In Accordance With <u>Government Auditing Standards</u>	137
Report On Compliance With Requirements That Could Have A Direct	
And Material Effect On Each Major Program And On Internal Control Over	
Compliance In Accordance With OMB Circular A-133	141
Summary Schedule of Prior Year Audit Findings	143
Schedule of Findings and Questioned Costs	144
Schedule of Expenditures of Federal Awards	150
Notes to the Schedule of Expenditures of Federal Awards	152
REQUIRED DISCLOSURE	157

**THIS PAGE INTENTIONALLY LEFT BLANK**



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

OFFICIAL ROSTER  
June 30, 2010

---

Board of Education

Filandro Anaya	Board President
Todd J. McCarty	Board Vice President
Michael Anaya	Board Secretary
Audrey J. Jaramillo	Board Member
Matthew Page	Board Member

Audit Committee

Filandro Anaya	President
Audrey J. Jaramillo	Member/ Finance Professional
Saul Araque	Member/ Finance Professional
DeeAnn Orio	Member/ Parent
Marla Lovato	Member/ Administration

School Officials

Dr. Karen Couch	Superintendent
Marla Lovato	Coordinator of Business Services

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FINANCIAL SECTION**

**FISCAL YEAR 2010**

**JULY 1, 2009 THROUGH JUNE 30, 2010**

**THIS PAGE INTENTIONALLY LEFT BLANK**

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

---

## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Moriarty-Edgewood School District No. 8

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the Moriarty-Edgewood School District No. 8, as of and for the year ended June 30, 2010, which collectively comprise Moriarty-Edgewood School District No. 8's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Moriarty-Edgewood School District No. 8's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Moriarty-Edgewood School District No. 8, as of June 30, 2010, and the respective changes in financial position, thereof and the respective 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 Moriarty-Edgewood School District No. 8 as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900  
Fax (505) 566-1911

---

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Moriarty-Edgewood School District No. 8

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2010, on our consideration of the Moriarty-Edgewood School District No. 8'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 conjunction with this report in assessing the results of our audit.

The management's discussion and analysis on pages 8 through 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local 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 are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



October 22, 2010

**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

---

**Introduction**

This Management Discussion and Analysis of the financial operations of the Moriarty Edgewood Schools for the period ending June 30, 2010 represents the school district's seventh year implementation of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). GASB 34 requires this written analysis as a part of the school district's financial reports and is intended to be an objective and easily readable discussion of the financial performance of the district. For school districts, GASB 34 has had a significant impact in the manner in which the financial statements are prepared, as well as the kinds of statements that are included in the report. There are two statements: a Statement of Net Assets which includes all of the assets and liabilities of the district and a Statement of Activities, which is a report that uses a net cost format with expenses reported by functions/programs. The Management Discussion and Analysis as well as the two statements, provide a review of the School District's *overall* financial activities using the accrual basis of accounting. Fund financial statements are reported on a modified accrual basis of accounting. The reports include a comparison with last fiscal year.

The annual audit report also consists of a series of detailed, audited financial statements and the notes to those statements. Also included in the report is the Independent Auditor's Report, the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133, and a Schedule of Findings and Questioned Costs.

**Financial Highlights:**

- ❖ The district is in its seventh year of implementation of financial reporting and processes as required by the Governmental Accounting Standards Board Statement 34.
- ❖ The school district continues to maintain a strong A3 rating from Moody's Investor Services on the issuance of General Obligation Bonds which helps lower interest rate costs to taxpayers in the district.
- ❖ The 2008 General Obligation bonds were used to re-roof Moriarty High School Vocational Wing, Moriarty Elementary School, South Mountain Elementary School and Mountainview Elementary School, as well as the first phase of construction for a Performing Arts Center at Moriarty High School and 40% of the construction cost of Moriarty Middle School.
- ❖ The 10 year enrollment decline has turned around and we are seeing an increase in enrollment throughout the district.
- ❖ Despite the tenth consecutive year of enrollment declines and reduced funding from the Public Education Department through the State Equalization Guarantee formula, the school district managed to maintain a strong cash balance of \$1,822,103 in FY09-10 in the Operational Fund, plus amount due from other funds \$399,118.00 in the General Fund, making a small overall decrease to the cash balance in the amount of \$167,989.00.
- ❖ For the past six years, the district has worked diligently to improve the Capital Assets systems and have sufficiently improved those systems to warrant no audit finding in the Capital Assets.
- ❖ The district is in year one of a three-year contract with Keystone Accounting, LLC. Based on the FY 2009-10 audit, which is sample based, the district has four findings. July 1, 2010 a new Legislation was enacted requiring



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

---

school districts to establish an Audit Committee. The MESD has an audit committee; they have worked with the audit firm during the FY 09/10 audit.

❖ There has been some turnover in the Business Office Staff during FY09-10, the Accounts Payable Specialist resigned on June 30, 2010, at that time the position was advertised and filled with an in house applicant, leaving a vacancy in the Accounting Technician Position. This position was filled with the General Accountant, leaving this part time position vacant. This position was filled with a part time employee.

❖ During the FY 09-10 there was some administrative re-organization with the resignation of the Principal Training Coordinator. The budgeting functions were assigned to the Coordinator of Business Services, the Programs functions were split between the Superintendent, Associate Superintendent, Personnel Director and the Director of Student Support Services.

❖ FY 09-10 was the second year for the Moriarty-Edgewood School District to manage their own Transportation Department after the resignation of the district's largest transportation contractor.

❖ During FY09-10, the district was in year three of the new training for all Head Secretaries and Principals on the manual for Student Activity Accounts for use by schools and departments for the administration and processing of all receipts and expenditures for activity funds. We have implemented a accountability for submitting time sheets for payment.

❖ The Business Office continues to hold trainings on the Purchasing Procedures. Also, updating the Purchasing Flowchart in the Budget Handbooks and web site to help ensure that all State Procurement Procedures are followed.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

**Statement of Net Assets**

As noted above in the Introduction, GASB 34 requires that the Statement of Net Assets be included in the financial statements of the Moriarty Edgewood Schools audit report. This statement is prepared using the accrual method of accounting. This statement shows that as of June 30, 2010, the school district has Total Net Assets of \$40,015,993. At June 30, 2009, Total Net Assets were \$38,904,448 for an increase of \$2,066,733 and a restatement of prior year Net Assets for a decrease of \$955,188. There is a total of \$14,180,458 of cash and cash equivalents on hand as of June 30, 2010 compared to \$15,312,356 on June 30, 2009 for a decrease of \$1,131,898.00 due to loss of SEG and declining enrollment by the District. Accounts Payable/Accrued Expenses are \$831,609 in FY09-10 compared to \$445,292 for June 30, 2009 for an increase of \$386,317 due primarily to the District's construction commitments. Net Assets totaling \$2,761,283 are "unrestricted" and available to the district for budgeting in FY 10-11. There was a decrease in revenues of \$49,072, as corresponding expenses; the District was able to control other expenditures resulting in a decrease of \$1,500,929 from the prior year. Net Assets reflects an increase of \$2,062,557 from operations. Grant revenues decreased \$1,193,659 due to later completion dates of projects, however, the expenses for operation of plant increased due to necessary roof repairs in the current year. In addition, the repayment of Long-term debt, and the fact that several new bonds are interest only payments until future years have contributed to the change in net assets. The Independent Auditor has included a Statement of Net Assets in the audit report that includes more detail.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

<b>Assets</b>	<b><u>June 30, 2010</u></b>	<b><u>June 30, 2009</u></b>
Cash Assets	\$ 14,180,458	\$ 15,312,356
Other Current Assets	2,213,345	943,196
Capital Assets	<u>51,512,701</u>	<u>49,664,922</u>
<b>Total Assets</b>	<b><u>67,906,504</u></b>	<b><u>65,920,474</u></b>
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	1,140,796	7,648,644
Deferred Revenue	988	918
Noncurrent Liabilities	<u>26,748,727</u>	<u>19,366,464</u>
<b>Total Liabilities</b>	<b><u>27,890,511</u></b>	<b><u>27,016,026</u></b>
<b>Net Assets</b>		
Invested in Capital Assets	24,862,141	23,362,618
Restricted	12,392,569	13,292,236
Unrestricted	<u>2,761,283</u>	<u>2,249,594</u>
<b>Total Net Assets</b>	<b><u>\$ 40,015,993</u></b>	<b><u>\$ 38,904,448</u></b>

**Statement of Activities**

The Statement of (Governmental) Activities is another new statement required by GASB 34 and is prepared using the accrual method of accounting. This report complements the Statement of Net Assets by showing the overall change in the school district's net assets for the fiscal year ending June 30, 2010. As of June 30, 2010, the total of net assets is \$40,015,993, which corresponds with the amount in the Statement of Net Assets.

One of the most important questions that should be asked about the school district's finances is "Is the school district as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the school district as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the school district's net assets and changes in them. You can think of the school district's net assets-the difference between assets and liabilities-as a way to measure the school district's financial health or financial position. Over time, increases or decreases in the school district's net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors such as the assessed valuation and number of students in the district need to be considered to assess the overall financial health of the school district.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

**MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010**

For June 30, 2010, Net Assets-Ending totaled \$40,015,993 and at June 30, 2009, the total amount for Net Assets-Ending was \$38,904,447 for an increase of \$2,066,733 and a restatement for a decrease of \$955,188. The financial condition of the district continues to improve in spite of the continued enrollment decline. There continues to be a significant investment to fund improvements to our buildings and land from district funds and from state funds.

Changes in Net Assets

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Revenues		
Program Revenues		
Charges for Services	\$ 531,606	\$ 568,162
Operating grants	8,950,423	8,354,792
Capital grants and contributions	2,003,079	472,903
Total Program Revenues	<u>11,485,108</u>	<u>9,395,857</u>
General Revenues		
Property Taxes	6,436,739	5,138,711
Grants and contributions not restricted	21,364,384	24,683,850
Unrestricted Investment Earnings	-	116,885
Total General Revenues	<u>27,801,123</u>	<u>29,939,446</u>
Total Revenues	<u>39,286,231</u>	<u>39,335,303</u>
Expenses		
Instruction	18,120,908	19,819,678
Support Services - Students	3,734,318	3,264,856
Support Services - Instruction	1,139,874	942,246
Support Services - General Administration	873,852	882,166
Support Services - School Administration	1,449,912	1,435,677
Central Services	399,969	1,645,572
Operations & Maintenance of Plant	6,585,359	6,253,123
Student Transportation	2,508,104	2,147,008
Food Services	1,398,678	1,433,378
Community Services	31,235	-
Bond interest paid	882,732	806,342
Total governmental activities	<u>37,124,941</u>	<u>38,630,046</u>
Loss on asset disposal	<u>(94,557)</u>	-
Change in Net Assets	<u>\$ 2,066,733</u>	<u>\$ 705,257</u>

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

---

**FUND FINANCIAL STATEMENTS**

**Balance Sheet Governmental Funds**

Fund Financial Statements are based on a modified accrual basis of accounting. The modified accrual basis of accounting records all accounts receivables, accounts payables and accrued salaries and benefits. All of the school district's financial operations/activities are reported here except for Student Activity Funds that are reported in Statement of Fiduciary Assets & Liabilities.

The Balance Sheet Governmental Funds for FY 09-10, the total assets of \$16,539,227 significantly exceed the total liabilities of \$2,758,296 with a fund balance of \$13,780,831. This is an increase from June 30, 2009 where total assets were \$16,983,300, total liabilities were \$1,368,901 and Fund Balance was \$15,614,399.

**Statement of Revenue, Expenditures and Changes in Fund Balance**

The Statement of Revenue, Expenditures and Changes in Fund Balances this report guides the reader to a meaningful overall view for the school district's revenues, expenditures and fund balance, and changes to the fund balance. Total revenues for FY09-10 were \$37,937,358 or \$1,478,540 less than the FY08-09 total revenues of \$39,415,808. The largest source of revenue is state sources with \$21,213,278 or 56% of the total. State sources decreased by \$181,097 largely due to decline in student enrollment and for state funded grants. The decrease of revenue is due to the declining of enrollment and decrease of unit value.

Total expenditures for the school district at June 30, 2010 were \$43,792,632. At June 30, 2009, total expenditures were \$41,361,300 for an increase of \$2,431,332. The majority of the increase in expenditures is a result of the Performing Arts Center and Moriarty Middle School. The June 30, 2010 Fund Balance was \$13,780,931 for a decrease of \$1,833,468 from \$15,614,399 at June 30, 2009.

The Statement of Revenue and Expenditures and Changes in Fund Balance clearly indicates that the district has continued to scale back expenditures in the Operational Fund due to the decrease in state funding from the decline in student enrollment and decrease of the unit value. Because of the decline in enrollment and the subsequent decrease in funding, the district has carefully been monitoring staffing levels and expenditure levels in the Operational Fund where the enrollment decline has the largest impact on revenue. There has been a considerable reduction in staffing levels the past four years. The district's enrollment projections indicate that the enrollment decline will continue for at least the next two to three years. The decline in funding from the State Equalization Guarantee is expected to continue since the New Mexico funding formula is based on the number of students enrolled in the district. The decrease in Fund Balance is due to the construction of the Performing Arts Center and the Moriarty Middle School.

**THE SCHOOL DISTRICT'S BUDGET**

The State of New Mexico public school budget process is defined under New Mexico State Statutes, (Section 22) and the New Mexico Administrative Code (Section 6). To improve the process of developing the annual budget, the Moriarty Edgewood Schools Board of Education strongly encourages the participation and input from all school district patrons, including students, staff, administrators, parents, business, and the community at large. The Budget Committee comprised of up to 40 members represents all of these groups and meets on a regular basis to recommend a budget to the Superintendent and to the Board.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

---

Over the course of the year, the school district Board of Education revises the budget as the need arises by means of a Budget Adjustment Request (BAR). These Budget Adjustment Requests falls into three categories. The first category includes budget adjustments that are approved shortly after the beginning of the year and reflect the actual beginning cash balances (versus the amounts estimated in May of each year) when the board approved the budget. Included in this category are adjustments for actual carryover balances from Special Revenue accounts, such as Food Services, Athletics, state and federal flow through grants and capital outlay funds. The second category includes changes that the board approves after the 80th day count and the Public Education Department funds increases or decreases to the State Equalization Guarantee formula. Other similar changes includes new awards or supplemental awards by the Public Education Department for flow through grants and contracts for which we must have expenditure authority from the PED before funds can be expended. Finally, the third category is budget adjustment requests to transfer budgets from one function to another to prevent budget overruns. The PED controls school district budgets at the function level. The Independent Public Auditor prepared a summary of the budget adjustments and is displayed in the Notes to Financial Statements, Note II, Stewardship, Compliance and Accountability, Budgetary Information.

The Statements of Revenues, Expenditures and Changes in Fund Balance—Budget (Non-GAAP Budgetary Basis) and Actual has been prepared by the Independent Public Auditor and shows the Original Budget, Final Budget, Actual Amounts, and Variance for each fund of the school district.

The June 30, 2010 revenue actual amount of \$24,143,119 was less than the final budgeted revenue of \$24,937,569 by \$794,451. The majority of the decrease in revenue was from budget cutbacks as required by the State. The June 30, 2010 revenue actual amount was \$1,059,871 lower than the June 30, 2009 revenue actual amount of \$25,202,990.

The June 30, 2010 actual expenditures of \$24,251,581 were \$1,907,333.00 less than the final budgeted expenditures of \$26,158,914.00. The majority of the savings occurred in Direct Instruction, Instructional Support, and Operation and Maintenance of Plant.

During the past five years, the district has reduced the number of staff although the total cost of salaries and benefits continues to increase. For FY 09-10 the expenditure actual amounts were \$1,137,571 higher than in FY 08-09, this is a result of the increase mandated by the State Legislature.

**CAPITAL ASSETS**

As indicated in the financial highlights above, the district worked very hard to improve the records for capital assets. At the end of the year, the school district had over \$51,512,701, net of depreciation invested in a broad range of capital assets including, land, buildings, parking lots, athletic fields, school grounds, vehicles, and equipment. This represents an increase of \$2,030,083 or 4.1% from the year ended June 30, 2009. This increase is a result of the district refining the list and disposing of the obsolete or damaged equipment.

At the beginning of the year, depreciable assets were valued at \$77,625,134. There were additions of \$5,655,325 for the year, and deletions of \$94,557, for an ending balance of \$83,185,902. The total of accumulated depreciation is \$33,525,258, leaving the net value of buildings, improvements, and equipment to just \$49,660,644. This is an indication that it will be necessary to start budgeting funds for the replacement of aged equipment in the future.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

---

**GENERAL LONG TERM DEBT**

Article IX, Section 11 of the New Mexico Constitution allows a school district to incur local general obligation debt. The school district can incur such debt for “the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes”. The approval of the debt is subject to a referendum of the local registered voters in the school district. The total debt shall not exceed 6% of the total assessed valuation of taxable property within the school district. The voters in the district have been very supportive of the school district and have voted and passed numerous referendums the past several years.

The Moriarty Edgewood Schools has maintained a level of indebtedness that approaches the maximum level allowed by law for the past several years. As soon as the district has bonding capacity, the board submits a referendum to the voters to approve the new amounts needed. The district has needed a lot of capital outlay funds the past several years due to the large enrollment growth experienced in early and mid 90’s. The district has had to build two new elementary schools, made large additions to two other elementary schools, and built one new middle school. The district has begun to improve its older facilities that have been ignored in past years. Each time the district asks the voters to approve the General Obligation Bond the proposed bonds are structured to avoid a tax increase to property owners.

The district still has considerable needs to renovate and improve health and safety issues throughout the district, expand the facilities at the high school, including the athletic facilities and for improving the facilities at Moriarty Middle School. Future bond issues will be needed to address these areas. In addition to funding the projects identified above, the school district will need to have funds available for technology, building maintenance, equipment replacement and to match Public School Critical Outlay Council projects that the district will be applying for and match at approximately 35% of the cost of the projects.

The amount of long-term debt at June 30, 2010 was \$26,748,727; it increased by \$596,840 from year ended June 30, 2009 of \$26,151,887. The amount due within one year is \$3,145,000. The district has always been able to make the principal and interest payments on a timely basis. At the end of the year, the Debt Service Fund Balance was \$2,462,426 as shown in Governmental Funds Balance Sheet. The district does not anticipate any difficulty in making future payments on a timely basis for the principal and interest.

**AGENCY FUNDS**

The school district, as a custodian, maintains and monitors special funds on behalf of schools and school activity groups. These Agency Funds are maintained by the school district and are intended to benefit a specific activity or interest and are generally raised by students for student use.

While each school site is responsible for the administration of the agency funds, the custody and use of these funds are in accordance with the Public Education Department regulations, and school district policy.

The Agency Funds Statement of Fiduciary Assets and Liabilities for the year ending June 30, 2010 shows the accumulated assets of all agency funds as \$330,993 or an increase of \$11,871 from June 30, 2009.

The district developed and implemented a manual for use by schools and departments for the administration and processing of all receipts and expenditures for activity funds during FY06-07. In FY 9-10 the Business Office held an annual refresher training of the manual of procedures for the secretaries, added increase security to employee timesheets starting 07/01/2010.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

MANAGEMENT DISCUSSION AND ANALYSIS  
June 30, 2010

---

**FUTURE TRENDS**

It is expected that there will be double-digit inflation in the cost of gas and utilities. As the economy worsens and we move into a recession, increased costs are expected to affect the District in our everyday purchases. This of course, will impact the district in terms of our annual budget.

In subsequent years, the cost of health and medical insurance benefits provided through the New Mexico Public Schools Insurance Authority is expected to continue documenting double-digit inflation increases. This greatly impacts the district budget.

The New Mexico Public Schools Insurance Authority also provides general liability, property damage and worker's compensation coverage for all school districts in New Mexico. It is anticipated that in the next several years, school districts will experience double-digit inflationary increases for this coverage. The funding formula should cover the premium increases for general liability, property damage and worker's compensation premium; however, due to high claims history of some districts, many districts will realize a budgetary shortfall.

Student enrollment is projected to decline from 80 to 100 students per year for the next two to three years unless there are new major economic developments in our area. Since the Public Education Department school funding formula is driven primarily by the number of students in the district, it is projected that revenue for the Operational Fund will decrease accordingly. Currently, it appears that the loss of students is due primarily to a decrease in the birth rate, and to families who are moving out of the district. It is interesting to note that although the school district is experiencing a loss of students, the local economy continues to indicate a growth in population, and gross receipt tax collections. Assessed valuations have been increasing at almost a 5% average the past few years. We have investigated into the possibility we are losing students to other educational programs in the area. There is no evidence to substantiate that the enrollment of home school students, students attending private schools, or students attending charter or other nearby public schools that would account for the loss of students. In fact, this district has determined that there has also been a decrease in enrollment for students in these categories. The approval to relocate the Albuquerque Downs and Casino to Moriarty is expected to improve the economic conditions in the area.

The above factors will present some challenges and opportunities as well as challenges for the district to closely review programs, operations, and staffing patterns in order to identify ways in which to balance its budget in future years. The board of education will continue to seek staff and community input in order to develop long range plans for coping with the budgetary challenges.

**Contacting the Moriarty Edgewood Schools**

This financial report is designed to provide our community, parents, taxpayers, investors and creditors with an overview of the Moriarty Edgewood School District's financial condition and to provide accountability for the funds the school district receives. If you have questions about this report or about the operations of the Moriarty Edgewood School District, please contact:

Marla E. Lovato  
Coordinator of Business and Operations  
Moriarty Edgewood School District  
P.O. Box 2000  
Moriarty, New Mexico 87035

e-mail: [marla.lovato@mesd.us](mailto:marla.lovato@mesd.us)

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

STATEMENT OF NET ASSETS  
June 30, 2010

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,180,458
Receivables:	
Delinquent property taxes receivable	1,613,569
Grant	232,171
Due from other governments	72,574
Deferred bond issuance costs	253,694
Fuel inventory	1,566
Food inventory	39,771
Non-current:	
Non-depreciable assets	1,852,057
Depreciable capital assets, net	<u>49,660,644</u>
<b>Total assets</b>	<u><b>67,906,504</b></u>
<b>LIABILITIES</b>	
Accounts payable	831,609
Accrued interest	155,527
Deferred grant revenue	988
Compensated absences	153,660
Noncurrent liabilities:	
Due within one year	3,145,000
Due in more than one year	<u>23,603,727</u>
<b>Total liabilities</b>	<u><b>27,890,511</b></u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	24,862,141
Restricted for:	
Inventories	41,337
Capital projects	8,692,876
Debt service	3,658,356
Unrestricted	<u>2,761,283</u>
<b>Total net assets</b>	<u><b>\$ 40,015,993</b></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	
Primary government:						
Governmental activities:						
Instruction	\$ 18,120,908	\$ 4,601	\$ 3,445,066	\$ 1,433,620	\$ (13,237,621)	
Support Services - Students	3,734,318	176,841	709,952	295,437	(2,552,088)	
Support Services - Instruction	1,139,874	-	216,708	90,180	(832,986)	
Support Services - General Administration	873,852	-	166,133	69,134	(638,585)	
Support Services - School Administration	1,449,912	-	275,651	114,708	(1,059,553)	
Central Services	399,969	-	76,040	-	(323,929)	
Operations & Maintenance of Plant	6,585,359	-	1,251,979	-	(5,333,380)	
Student Transportation	2,508,104	-	1,858,918	-	(649,186)	
Food Services	1,398,678	350,164	944,038	-	(104,476)	
Community Services	31,235	-	5,938	-	(25,297)	
Bond interest paid	<u>882,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(882,732)</u>	
Total governmental activities	<u>\$ 37,124,941</u>	<u>\$ 531,606</u>	<u>\$ 8,950,423</u>	<u>\$ 2,003,079</u>	<u>(25,639,833)</u>	
General revenues:						
Property Taxes:						
General purposes						225,453
Debt service						5,075,821
Capital projects						1,135,465
Grants and contributions not restricted						<u>21,364,384</u>
Total general revenues						27,801,123
Loss on asset disposal						<u>(94,557)</u>
Change in net assets						<u>2,066,733</u>
Net assets - beginning						38,904,448
Restatement						<u>(955,188)</u>
Net assets - as restated						<u>37,949,260</u>
Net assets - ending						<u>\$ 40,015,993</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2010

	General Fund	Bond Building Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Pooled cash and investments	\$ 1,946,591	\$ 8,497,905	\$ 59,439	\$ 662,502	\$ 2,337,471	\$ 676,550	\$ 14,180,458
Receivables:							
Delinquent property taxes	60,346	-	-	289,101	1,264,122	-	1,613,569
Grant	-	-	-	-	-	232,171	232,171
Due from other governments	2,685	-	-	13,126	56,763	-	72,574
Due from other funds	399,118	-	-	-	-	-	399,118
Fuel inventory	1,566	-	-	-	-	-	1,566
Food inventory	-	-	-	-	-	39,771	39,771
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 2,410,306</u>	<u>\$ 8,497,905</u>	<u>\$ 59,439</u>	<u>\$ 964,729</u>	<u>\$ 3,658,356</u>	<u>\$ 948,492</u>	<u>\$ 16,539,227</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 27,082	\$ 86,366	\$ 679,775	\$ 32,131	\$ -	\$ 6,255	\$ 831,609
Due to other funds	-	-	170,084	-	-	229,034	399,118
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	988	988
Delinquent property taxes	57,071	-	-	273,580	1,195,930	-	1,526,581
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>84,153</u>	<u>86,366</u>	<u>849,859</u>	<u>305,711</u>	<u>1,195,930</u>	<u>236,277</u>	<u>2,758,296</u>
Fund balance:							
Reserved for:							
Inventories	1,566	-	-	-	-	39,771	41,337
Capital projects funds	-	8,411,539	(790,420)	659,018	-	139,159	8,419,296
Debt service	-	-	-	-	2,462,426	-	2,462,426
Unreserved, designated for, and reported in:							
Special revenue funds	-	-	-	-	-	533,285	533,285
Unreserved, undesignated, and reported in:							
General fund	2,324,587	-	-	-	-	-	2,324,587
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>2,326,153</u>	<u>8,411,539</u>	<u>(790,420)</u>	<u>659,018</u>	<u>2,462,426</u>	<u>712,215</u>	<u>13,780,931</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balance	<u>\$ 2,410,306</u>	<u>\$ 8,497,905</u>	<u>\$ 59,439</u>	<u>\$ 964,729</u>	<u>\$ 3,658,356</u>	<u>\$ 948,492</u>	<u>\$ 16,539,227</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

**RECONCILIATION OF THE BALANCE SHEET - ALL  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2010**

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

Fund balances - total governmental funds	\$	13,780,931
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		85,037,959
Accumulated depreciation		(33,525,258)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		1,526,581
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(26,635,000)
Accrued interest payable		(155,527)
Accrued vacation payable		(153,660)
Bond issue costs		253,694
Bond premiums		<u>(113,727)</u>
 Net assets of governmental activities	 \$	 <u>40,015,993</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	General <u>Fund</u>	Bond Building <u>Fund</u>	Special Capital Outlay - State <u>Fund</u>	Improvements SB-9 <u>Fund</u>	Debt Service <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:							
Federal sources:							
Forest reserve	\$ 85,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,687
Department of Defense	57,178	-	-	-	-	-	57,178
Federal flowthrough grants	52,798	-	-	-	-	5,072,606	5,125,404
Food and milk reimbursements	-	-	-	-	-	867,396	867,396
USDA Commodities	-	-	-	-	-	76,642	76,642
State sources:							
State equalization guarantee	21,213,278	-	-	-	-	-	21,213,278
Transportation	1,858,918	-	-	-	-	-	1,858,918
State instructional material	130,348	-	-	-	-	-	130,348
State grant	542,348	-	1,982,834	-	-	266,870	2,792,052
Local sources:							
Grant	-	-	-	-	-	60,021	60,021
District school tax levy	176,272	-	-	905,603	4,023,226	-	5,105,101
Fees and activities	4,601	-	-	-	-	527,005	531,606
Earnings from investments	-	20,245	-	-	5,241	-	25,486
Miscellaneous	<u>7,563</u>	<u>678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,241</u>
Total revenue	<u>\$ 24,128,991</u>	<u>\$ 20,923</u>	<u>\$ 1,982,834</u>	<u>\$ 905,603</u>	<u>\$ 4,028,467</u>	<u>\$ 6,870,540</u>	<u>\$ 37,937,358</u>

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	General Fund	Bond Building Fund	Special Capital Outlay - State Fund	Improvements SB-9 Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:							
Current:							
Instruction	\$ 13,127,657	\$ -	\$ -	\$ -	\$ -	\$ 3,683,277	\$ 16,810,934
Support Services - Students	2,410,418	-	-	-	-	1,053,944	3,464,362
Support Services - Instruction	664,722	-	-	-	-	388,667	1,053,389
Support Services - General Administration	464,261	-	-	8,993	39,926	297,501	810,681
Support Services - School Administration	1,307,505	-	-	-	-	37,592	1,345,097
Central Services	371,055	-	-	-	-	-	371,055
Operations & Maintenance of Plant	3,502,573	1,799,153	16,498	785,902	-	5,173	6,109,299
Student Transportation	2,326,791	-	-	-	-	-	2,326,791
Food Services	37,127	-	-	-	-	1,260,440	1,297,567
Community Services	-	-	-	-	-	28,977	28,977
Capital outlay	9,729	3,349,701	2,216,480	22,819	-	56,596	5,655,325
Debt service:							
Principal retirement	-	-	-	-	3,485,000	-	3,485,000
Bond interest paid	-	-	-	-	958,452	-	958,452
Bond issuance costs	-	75,703	-	-	-	-	75,703
<b>Total expenditures</b>	<u>24,221,838</u>	<u>5,224,557</u>	<u>2,232,978</u>	<u>817,714</u>	<u>4,483,378</u>	<u>6,812,167</u>	<u>43,792,632</u>
Excess (deficiency) of revenues over expenditures	<u>(92,847)</u>	<u>(5,203,634)</u>	<u>(250,144)</u>	<u>87,889</u>	<u>(454,911)</u>	<u>58,373</u>	<u>(5,855,274)</u>
Other financing sources:							
Sale of bonds	-	4,000,000	-	-	-	-	4,000,000
Bond premium	-	21,806	-	-	-	-	21,806
<b>Total other financing sources</b>	<u>-</u>	<u>4,021,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,021,806</u>
<b>Net change in fund balance</b>	<u>(92,847)</u>	<u>(1,181,828)</u>	<u>(250,144)</u>	<u>87,889</u>	<u>(454,911)</u>	<u>58,373</u>	<u>(1,833,468)</u>
Fund balance (deficit) at beginning of the year	<u>2,419,000</u>	<u>9,593,367</u>	<u>(540,276)</u>	<u>571,129</u>	<u>2,917,337</u>	<u>653,842</u>	<u>15,614,399</u>
Fund balance (deficit) at end of the year	<u>\$ 2,326,153</u>	<u>\$ 8,411,539</u>	<u>\$ (790,420)</u>	<u>\$ 659,018</u>	<u>\$ 2,462,426</u>	<u>\$ 712,215</u>	<u>\$ 13,780,931</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010

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

Net change in fund balance - total governmental funds	\$ (1,833,468)
<p>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 capital outlays exceeded depreciation in the current year</p>	
Capital outlay	5,655,325
Depreciation	(2,619,974)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p>Deferred property taxes at:</p>	
June 30, 2009	(194,943)
June 30, 2010	1,526,581
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Current year principal payments	3,485,000
Bonds sold	(4,000,000)
Current year issuance costs	75,703
Issuance cost amortization	(37,105)
Current year bond premiums	(21,806)
Bond premium amortization	17,235
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
<p>Compensated absences at:</p>	
June 30, 2009	149,577
June 30, 2010	(153,660)
<p>Accrued interest at:</p>	
June 30, 2009	(155,527)
June 30, 2010	268,352
Loss on asset disposal	<u>(94,557)</u>
Change in net assets of governmental activities	<u>\$ 2,066,733</u>

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Forest reserve	\$ 84,070	\$ 84,070	\$ 85,687	\$ 1,617
Department of Defense	60,652	60,652	57,178	(3,474)
Federal grant	35,000	35,000	52,798	17,798
<b>State sources:</b>				
State equalization guarantee	22,109,875	22,109,875	21,213,278	(896,597)
Transportation	1,876,969	2,451,358	1,989,266	(462,092)
State grant	1,200	1,200	542,374	541,174
<b>Local sources:</b>				
District school tax levy	177,876	177,876	181,759	3,883
Fees and activities	7,538	7,538	13,215	5,677
Miscellaneous	10,000	10,000	7,563	(2,437)
Total revenues	24,363,180	24,937,569	24,143,118	(794,451)
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	14,600,462	14,661,396	13,128,820	1,532,576
Support Services - Students	2,777,548	2,777,548	2,410,418	367,130
Support Services - Instruction	664,838	668,955	664,722	4,233
Support Services - General Administration	610,560	610,560	464,842	145,718
Support Services - School Administration	1,399,017	1,399,017	1,307,505	91,512
Central Services	657,720	657,720	371,069	286,651
Operation & Maintenance of Plant	3,783,270	3,783,270	3,535,502	247,768
Student Transportation	1,776,139	2,339,807	2,321,848	17,959
Other Support Services	129,163	129,163	-	129,163
Food Services Operations	39,263	39,263	37,127	2,136
<b>Capital outlay:</b>				
Equipment	-	9,729	9,729	-
Total expenditures	26,437,980	27,076,428	24,251,582	2,824,846
Excess (deficiency) of revenues over expenditures	(2,074,800)	(2,138,859)	(108,464)	2,030,395
Beginning cash balance budgeted	2,074,800	2,138,859	-	(2,138,859)
Fund balance at beginning of the year	-	-	2,419,000	2,419,000
Fund balance at end of the year	\$ -	\$ -	2,310,536	\$ 2,310,536
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			(5,845)	
Change in receivables			(8,614)	
Change in property tax receivable			41,010	
Change in due from other governments			2,659	
Change in payables			35,588	
Change in deferred property taxes			(49,181)	
			\$ 2,326,153	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2010

ASSETS

Pooled cash and investments	\$ <u>330,993</u>
-----------------------------	-------------------

LIABILITIES

Deposits held for others	\$ <u>330,993</u>
--------------------------	-------------------

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO**  
**MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Notes to the Financial Statements  
June 30, 2010

---

<b>NOTE</b>	<b>PAGE</b>
<b>I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES</b>	
A. Reporting Entity	28
1. Blended Component Units	
2. Discretely Presented Component Units	
B. Government-Wide and Fund Financial Statements	29
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	29
1. Major Funds	30
D. Assets, Liabilities, and Net Assets or Equity	31
<b>II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>	
A. Budgetary Information	36
B. Budgetary Violations	37
C. Deficit Fund Equity	37
<b>III. DETAILED NOTES ON ALL FUNDS</b>	
A. Cash and Temporary Investments	38
B. Receivables	39
C. Capital Assets	41
D. Inter-Fund Receivables and Payables	42
E. Inter-Fund Transfers	43
F. Long-Term Debt	43
<b>IV. OTHER INFORMATION</b>	45

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Moriarty-Edgewood School District (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Cities of Moriarty and Edgewood, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

GAAP requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 89, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Moriarty-Edgewood School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The government reports the following major governmental funds:

**General Fund** – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Bond Building Fund Capital Projects Fund** – This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

**Special Capital Outlay – State Capital Projects Fund** - This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

**Capital Improvements SB – 9 Capital Projects Fund** - This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Additionally, the government reports the following fund types:

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

**Capital Projects Funds** – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Fiduciary Funds** – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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

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

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

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5
Library books	5

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 36 days of earned but unused vacation, which will be paid to employees upon separation from the District's service. The amount for liability has been reported in the government-wide financial statements.

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

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

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

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *Estimates*

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

11. *Revenues*

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost".

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$21,213,278 in state equalization guarantee distributions during the year ended June 30, 2010.

**Transportation Distribution:** School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,858,918 in transportation distributions during the year ended June 30, 2010.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2010 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 26,437,980	\$ 27,076,428
Special Revenue Fund	4,750,529	6,756,905
Capital Projects Fund	12,736,216	7,852,717
Debt Service Fund	6,545,541	4,483,378
Totals	\$ 50,470,266	\$ 46,169,428

B. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Finding 2010-2 on page 146. The District is aware of legal binding of budgets and has implemented a system of checks that will help prevent any further violations of budgetary control.

C. Deficit Fund Equity

There was one deficit fund balance of \$790,420 as of June 30, 2010 in the Special Capital Outlay-State Capital Projects Fund. This deficit will be covered by future revenues or by the Operational Fund.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Notes to the Financial Statements  
June 30, 2010

**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Temporary Investments**

At June 30, 2010, the carrying amount of the District's deposits was \$14,511,451 and the bank balance was \$16,132,221 with the difference consisting of outstanding checks. Of this balance \$2,587,470 was covered by federal depository insurance and \$6,502,176 was covered by collateral held in joint safekeeping by a third party.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2010, \$7,986,264 of the District's bank balance of \$16,132,221 was exposed to custodial risk as follows:

	Wells Fargo <u>Bank</u>	Wells Fargo <u>Money Market</u>	First Community <u>Bank</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 883,547	\$ 7,102,717	\$ -	\$ 7,986,264
Uninsured and collateral held by pledging bank's trust dept not in the District's name	<u>3,221,017</u>	<u>-</u>	<u>-</u>	<u>3,221,017</u>
<b>Total uninsured</b>	<b>4,104,564</b>	<b>7,102,717</b>	<b>-</b>	<b>11,207,281</b>
Insured (FDIC)	<u>2,587,470</u>	<u>-</u>	<u>2,337,470</u>	<u>4,924,940</u>
<b>Total deposits</b>	<b><u>\$ 6,692,034</u></b>	<b><u>\$ 7,102,717</u></b>	<b><u>\$ 2,337,470</u></b>	<b><u>\$ 16,132,221</u></b>
State of New Mexico collateral requirement:				
50% of uninsured public fund bank deposits	\$ 3,221,017	\$ 3,551,359	\$ -	\$ 6,772,376
Pledged security	<u>6,502,176</u>	<u>-</u>	<u>-</u>	<u>6,502,176</u>
Under collateralization	<u>\$ 3,281,159</u>	<u>\$ (3,551,359)</u>	<u>\$ -</u>	<u>\$ (270,200)</u>

The collateral pledged is listed on Page 131 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing “Now” accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, banks that are accepted to may be insured for 100% of non-interest earnings accounts. The Districts deposits with First Community Bank qualified for this coverage.

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a security will not fulfill its obligations to the District. National rating agencies assess this risk and assign a credit quality rating for most investments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not assigned credit quality ratings. Credit quality ratings are reported on obligations of U.S. Government agencies that are not explicitly guaranteed by the U.S. Government.

New Mexico statutes state that the school district may temporarily invest money held in demand deposits and not immediately needed for the operation of the school district. Such temporary investments shall be made only in securities that are issued by the state or by the United States government, or by their departments or agencies, and that are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments.

As of June 30, 2010, the District owned \$7,102,717 in a money market, Federated Prime Cash Obligations Fund, Institutional Shares. The following table provides information on the credit ratings associated with the money market June 30, 2010:

<u>Money Market:</u>	<u>Fair Value</u>	<u>Ratings</u>	
		<u>Standard &amp;</u>	
		<u>Poors</u>	<u>Moody's</u>
Federated Prime Cash Obligations Fund	\$ 7,102,717	AAAm	Aaa

The money market is not composed of securities that are within the stipulations of the state statutes and was not collateralized as indicated in Finding 2010-1 on page 145.

The District became aware of this violation and has since moved the money market funds to one that is composed of United States government backed securities.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	<u>Capital Improvements SB - 9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
Receivables:				
Delinquent property taxes	\$ 60,346	\$ 289,101	\$ 1,264,122	\$ -
Grant	-	-	-	232,171
Due from other:				
Governments	<u>2,685</u>	<u>13,126</u>	<u>56,763</u>	<u>-</u>
Total	<u>\$ 63,031</u>	<u>\$ 302,227</u>	<u>\$ 1,320,885</u>	<u>\$ 232,171</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 988
Delinquent property taxes		
General Fund	57,071	-
Capital Improvements SB - 9	273,580	-
Debt Service Fund	<u>1,195,930</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 1,526,581</u>	<u>\$ 988</u>



**STATE OF NEW MEXICO**  
**MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Notes to the Financial Statements  
June 30, 2010

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental activities:</b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 1,427,529	\$ -	\$ -	\$ -	\$ 1,427,529
Water rights	424,528	-	-	-	424,528
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>1,852,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,852,057</u>
<b>Capital assets, being depreciated:</b>					
Land improvements	2,041,326	147,913	-	199,918	2,389,157
Buildings and improvements	68,665,236	4,812,493	-	(1,894,226)	71,583,503
Furniture, fixtures, and equipment	5,115,974	694,919	(94,557)	1,694,308	7,410,644
Library books	<u>1,802,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,802,598</u>
Total capital assets being depreciated	<u>77,625,134</u>	<u>5,655,325</u>	<u>(94,557)</u>	<u>-</u>	<u>83,185,902</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	(304,811)	(116,789)	-	(162,287)	(583,887)
Buildings and improvements	(24,979,294)	(1,534,692)	-	(1,185,387)	(27,699,373)
Furniture, fixtures, and equipment	(3,412,364)	(610,052)	-	436,963	(3,585,453)
Library books	<u>(1,298,104)</u>	<u>(358,441)</u>	<u>-</u>	<u>-</u>	<u>(1,656,545)</u>
Total accumulated depreciation	<u>(29,994,573)</u>	<u>(2,619,974)</u>	<u>-</u>	<u>(910,711)</u>	<u>(33,525,258)</u>
Total capital assets being depreciated, net	<u>47,630,561</u>	<u>3,035,351</u>	<u>(94,557)</u>	<u>(910,711)</u>	<u>49,660,644</u>
Total capital assets, net	<u>\$ 49,482,618</u>	<u>\$ 3,035,351</u>	<u>\$ (94,557)</u>	<u>\$ (910,711)</u>	<u>\$ 51,512,701</u>

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 1,309,974
Support Services - Students	269,956
Support Services - Instruction	82,402
Support Services - General Administration	63,171
Support Services - School Administration	104,815
Central Services	28,914
Operations & Maintenance of Plant	476,060
Student Transportation	181,313
Food Services	101,111
Community Services	<u>2,258</u>
Total Depreciation Expense	<u>\$ 2,619,974</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Construction commitments

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$8,419,296 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2010 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 399,118	\$ -
Special Capital Outlay - State	-	170,084
Other Governmental Funds	<u>-</u>	<u>229,034</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 399,118</u>	<u>\$ 399,118</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Notes to the Financial Statements  
June 30, 2010

**III. DETAILED NOTES ON ALL FUNDS (continued)**

**E. Inter-Fund Transfers**

There were not any inter-fund transfers made during the year ended June 30, 2010.

**F. Long-Term Debt**

**General Obligation Bonds**

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2010 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2010</u>	<u>Amount Due Within One Year</u>
Series	1998	\$ 2,850,000	4.125% to 4.150%	\$ 300,000	\$ 300,000
Series	2000	2,150,000	4.80% to 6.80%	-	-
Series	2001	3,000,000	4.75% to 5.00%	2,080,000	255,000
Series	2002	3,000,000	3.40% to 5.40%	2,175,000	250,000
Series	2002B	1,000,000	3.50% to 5.25%	515,000	195,000
Series	2003	2,000,000	2.50% to 3.00%	1,695,000	300,000
Series	2004	1,500,000	2.55% to 3.80%	1,035,000	115,000
Series	2004B	1,700,000	3.25% to 3.90%	1,700,000	-
Series	2005	1,500,000	3.40% to 3.50%	1,185,000	180,000
Series	2006	1,300,000	3.60% to 4.00%	1,300,000	200,000
Series	2008	7,500,000	3.00% to 3.25%	6,850,000	1,100,000
Series	2009	4,000,000	3.90% to 5.00%	3,800,000	250,000
Series	2010	<u>4,000,000</u>	2.50% to 3.00%	<u>4,000,000</u>	<u>-</u>
<b>Total</b>		<b>\$ 35,500,000</b>		<b>\$ 26,635,000</b>	<b>\$ 3,145,000</b>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Notes to the Financial Statements  
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt (continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds			
Year Ending June 30.	Principal	Interest	Total Requirements
2011	\$ 3,145,000	\$ 917,894	\$ 4,062,894
2012	3,120,000	804,170	3,924,170
2013	3,235,000	688,984	3,923,984
2014	3,170,000	570,361	3,740,361
2015	3,570,000	456,694	4,026,694
2016 - 2020	10,395,000	569,986	10,964,986
Total	\$ 26,635,000	\$ 4,008,089	\$ 30,643,089

Changes in long term debt – During the year ended June 30, 2010 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due Within One Year
Compensated absences:					
Compensated vacation	\$ 149,577	\$ 144,848	\$ 140,765	\$ 153,660	\$ 86,050
Bonds payable	26,120,000	4,000,000	3,485,000	26,635,000	3,145,000
	\$ 26,269,577	\$ 4,144,848	\$ 3,625,765	\$ 26,788,660	\$ 3,298,660

	Balance June 30, 2010
Bonds payable	\$ 26,635,000
Less: current maturities	(3,145,000)
Unamortized:	
Bond premiums	113,727
Total non-current liabilities	\$ 23,603,727

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2010.

B. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

Plan Description - 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, NSA 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 the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB  
P.O. Box 26129  
Santa Fe, New Mexico 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.90% of their gross salary. Moriarty-Edgewood School District is required to contribute 12.46% of the gross covered salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to the ERB for the years ended June 30, 2010, 2009 and 2008 were \$2,122,395, \$2,269,648, and \$2,013,224, respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2010-2011	13.15%	7.90%
2011-2012	13.90%	7.90%

D. Post-Retirement Health Care Benefits

Plan Description – Moriarty-Edgewood School District No. 8's contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

- 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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 supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority  
4308 Carlisle NE, Suite 104  
Albuquerque, NM 87107

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Moriarty-Edgewood School District No. 8's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$245,308, \$250,262, and \$240,142, respectively, which equal the required contributions for each year.

E. Restatement

The Statement of Activities is being restated by \$955,188 for premiums and issue costs on general obligation bonds issued and accumulated depreciation on capital assets. Premiums on bond issues, net of accumulated amortization, are being restated by \$77,269, \$44,477 for amounts not previously reported and \$32,792 that was netted against issue costs. The issue costs for bonds issued are being restated by \$32,792 for the amount of premiums that were netted against the costs. The depreciation on capital assets, according to the parameters set by management, has been understated in prior years due to errors within the accounting software. The beginning accumulated depreciation is being restated by \$910,711 for these errors.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes to the Financial Statements  
June 30, 2010

---

IV. OTHER INFORMATION (continued)

F. Cash Flows

The District operates on primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner. The delay in receiving reimbursements has been progressively increasing through this and the previous two years. The current trend will adversely affect the District in subsequent years.



**THIS PAGE INTENTIONALLY LEFT BLANK**

**STATE OF NEW MEXICO**  
**MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

**GENERAL FUNDS**  
Year Ended June 30, 2010

---

**OPERATING FUND**

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**TRANSPORTATION FUND**

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

**INSTRUCTIONAL MATERIALS FUND**

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND  
Combining Balance Sheet  
June 30, 2010

	General Funds			Total General <u>Funds</u>
	<u>Operational Fund</u>	Transportation <u>Fund</u>	Instructional Materials <u>Fund</u>	
<b>ASSETS</b>				
Pooled cash and investments	\$ 1,822,103	\$ 81,478	\$ 43,010	\$ 1,946,591
Receivables:				
Delinquent property taxes	60,346	-	-	60,346
Due from other governments	2,685	-	-	2,685
Due from other funds	399,118	-	-	399,118
Fuel inventory	-	1,566	-	1,566
Total assets	\$ 2,284,252	\$ 83,044	\$ 43,010	\$ 2,410,306
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 27,082	\$ -	\$ -	\$ 27,082
Deferred revenue:				
Delinquent property taxes	57,071	-	-	57,071
Total liabilities	84,153	-	-	84,153
Fund balance:				
Reserved for:				
Inventories	-	1,566	-	1,566
Unreserved, undesignated, and reported in:				
General fund	2,200,099	81,478	43,010	2,324,587
Total fund balance	2,200,099	83,044	43,010	2,326,153
Total liabilities and fund balance	\$ 2,284,252	\$ 83,044	\$ 43,010	\$ 2,410,306

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	General Funds			Total General <u>Fund</u>
	<u>Operational Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials Fund</u>	
Revenues:				
Federal sources:				
Forest reserve	\$ 85,687	\$ -	\$ -	\$ 85,687
Department of Defense	57,178	-	-	57,178
Federal flowthrough grants	52,798	-	-	52,798
State sources:				
State equalization guarantee	21,213,278	-	-	21,213,278
Transportation	-	1,858,918	-	1,858,918
State instructional material	-	-	130,348	130,348
State grant	617	541,731	-	542,348
Local sources:				
District school tax levy	176,272	-	-	176,272
Fees and activities	4,601	-	-	4,601
Miscellaneous	5,866	-	1,697	7,563
Total revenue	\$ 21,596,297	\$ 2,400,649	\$ 132,045	\$ 24,128,991

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GENERAL FUND  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	General Funds			Total General <u>Fund</u>
	<u>Operational Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials Fund</u>	
Expenditures:				
Current:				
Instruction	\$ 12,978,551	\$ -	\$ 149,106	\$ 13,127,657
Support Services - Students	2,410,418	-	-	2,410,418
Support Services - Instruction	660,734	-	3,988	664,722
Support Services - General Administration	464,261	-	-	464,261
Support Services - School Administration	1,307,505	-	-	1,307,505
Central Services	371,055	-	-	371,055
Operations & Maintenance of Plant	3,502,573	-	-	3,502,573
Student Transportation	11,237	2,315,554	-	2,326,791
Food Services	37,127	-	-	37,127
Capital outlay	-	9,729	-	9,729
Total expenditures	21,743,461	2,325,283	153,094	24,221,838
Excess (deficiency) of revenues over expenditures	(147,164)	75,366	(21,049)	(92,847)
Fund balance at beginning of the year	2,347,263	7,678	64,059	2,419,000
Fund balance at end of the year	\$ 2,200,099	\$ 83,044	\$ 43,010	\$ 2,326,153

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

OPERATIONAL SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Forest reserve	\$ 84,070	\$ 84,070	\$ 85,687	\$ 1,617
Department of Defense	60,652	60,652	57,178	(3,474)
Federal grant	35,000	35,000	52,798	17,798
State sources:				
State equalization guarantee	22,109,875	22,109,875	21,213,278	(896,597)
State grant	1,200	1,200	617	(583)
Local sources:				
District school tax levy	177,876	177,876	181,759	3,883
Fees and activities	7,538	7,538	13,215	5,677
Miscellaneous	10,000	10,000	5,866	(4,134)
Total revenues	22,486,211	22,486,211	21,610,398	(875,813)
<b>Expenditures:</b>				
Current:				
Instruction	14,471,067	14,471,067	12,979,714	1,491,353
Support Services - Students	2,777,548	2,777,548	2,410,418	367,130
Support Services - Instruction	664,838	664,838	660,734	4,104
Support Services - General Administration	610,560	610,560	464,842	145,718
Support Services - School Administration	1,399,017	1,399,017	1,307,505	91,512
Central Services	657,720	657,720	371,069	286,651
Operation & Maintenance of Plant	3,783,270	3,783,270	3,535,502	247,768
Student Transportation	28,565	28,565	11,478	17,087
Other Support Services	129,163	129,163	-	129,163
Food Services Operations	39,263	39,263	37,127	2,136
Total expenditures	24,561,011	24,561,011	21,778,389	2,782,622
Excess (deficiency) of revenues over expenditures	(2,074,800)	(2,074,800)	(167,991)	1,906,809
Beginning cash balance budgeted	2,074,800	2,074,800	-	(2,074,800)
Fund balance at beginning of the year	-	-	2,347,263	2,347,263
Fund balance at end of the year	\$ -	\$ -	2,179,272	\$ 2,179,272
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			(8,614)	
Change in property tax receivable			41,010	
Change in due from other governments			2,685	
Change in payables			34,927	
Change in deferred property taxes			(49,181)	
			\$ 2,200,099	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TRANSPORTATION SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
Transportation	\$ 1,747,574	\$ 2,320,971	\$ 1,858,918	\$ (462,053)
State grant	<u>-</u>	<u>-</u>	<u>541,757</u>	<u>541,757</u>
Total revenues	<u>1,747,574</u>	<u>2,320,971</u>	<u>2,400,675</u>	<u>79,704</u>
<b>Expenditures:</b>				
Current:				
Student Transportation	1,747,574	2,311,242	2,310,370	872
Capital outlay:				
Equipment	<u>-</u>	<u>9,729</u>	<u>9,729</u>	<u>-</u>
Total expenditures	<u>1,747,574</u>	<u>2,320,971</u>	<u>2,320,099</u>	<u>872</u>
Excess of revenues over expenditures	-	-	80,576	80,576
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>7,678</u>	<u>7,678</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>88,254</u>	<u>\$ 88,254</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			(5,845)	
Change in due from other governments			(26)	
Change in payables			<u>661</u>	
			<u>\$ 83,044</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
Transportation	\$ 129,395	\$ 130,387	\$ 130,348	\$ (39)
Local sources:				
Miscellaneous	-	-	1,697	1,697
Total revenues	<u>129,395</u>	<u>130,387</u>	<u>132,045</u>	<u>1,658</u>
<b>Expenditures:</b>				
Current:				
Instruction	129,395	190,329	149,106	41,223
Support Services - Instruction	-	4,117	3,988	129
Total expenditures	<u>129,395</u>	<u>194,446</u>	<u>153,094</u>	<u>41,352</u>
Excess (deficiency) of revenues over expenditures	-	(64,059)	(21,049)	43,010
Beginning cash balance budgeted	-	64,059	-	(64,059)
Fund balance at beginning of the year	-	-	<u>64,059</u>	<u>64,059</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	43,010	<u>\$ 43,010</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			<u>\$ 43,010</u>	



**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

Special Revenue Funds

	<u>Food Service</u>	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Discretionary</u>	<u>Preschool</u>	<u>IDEA-B CEIS</u>	<u>Education of</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>Fund</u>	<u>Homeless</u>
				<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		<u>Fund</u>
<b>ASSETS</b>								
Pooled cash and investments	\$ 215,032	\$ 198,584	\$ -	\$ 1	\$ 11	\$ -	\$ -	\$ -
Receivables:								
Grant	-	-	44,931	35,209	-	1,504	199	-
Food inventory	<u>39,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 254,803</u>	<u>\$ 198,584</u>	<u>\$ 44,931</u>	<u>\$ 35,210</u>	<u>\$ 11</u>	<u>\$ 1,504</u>	<u>\$ 199</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 805	\$ -	\$ -	\$ 116	\$ -	\$ 82	\$ -	\$ -
Due to other funds	-	-	44,931	35,094	-	1,422	199	-
Deferred revenue:								
Federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>805</u>	<u>-</u>	<u>44,931</u>	<u>35,210</u>	<u>11</u>	<u>1,504</u>	<u>199</u>	<u>-</u>
<b>Fund balance:</b>								
Reserved for:								
Inventories	39,771	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Unreserved, designated for, and reported in:								
Special revenue funds	<u>214,227</u>	<u>198,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>253,998</u>	<u>198,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 254,803</u>	<u>\$ 198,584</u>	<u>\$ 44,931</u>	<u>\$ 35,210</u>	<u>\$ 11</u>	<u>\$ 1,504</u>	<u>\$ 199</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

Special Revenue Funds

	Fresh Fruits and Vegetables <u>Fund</u>	Title I - 1003g <u>Fund</u>	Comprehensive School Reform <u>Fund</u>	Title III - Incentive Awards <u>Fund</u>	Title V <u>Fund</u>	Title III English Language <u>Fund</u>	Teacher/Principal Training <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>
<b>ASSETS</b>								
Pooled cash and investments	\$ 1,632	\$ 1	\$ 87	\$ 1	\$ 71	\$ -	\$ 1	\$ 767
Receivables:								
Grant	3,683	5,135	-	3,529	-	3,092	41,481	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 5,315</u>	<u>\$ 5,136</u>	<u>\$ 87</u>	<u>\$ 3,530</u>	<u>\$ 71</u>	<u>\$ 3,092</u>	<u>\$ 41,482</u>	<u>\$ 767</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,578	\$ -
Due to other funds	5,315	5,136	-	3,530	-	3,092	36,904	-
Deferred revenue:								
Federal, state, and local grants	-	-	87	-	71	-	-	767
Total liabilities	<u>5,315</u>	<u>5,136</u>	<u>87</u>	<u>3,530</u>	<u>71</u>	<u>3,092</u>	<u>41,482</u>	<u>767</u>
<b>Fund balance:</b>								
Reserved for:								
Inventories	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Unreserved, designated for, and reported in:								
Special revenue funds	-	-	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-	-	-
Total liabilities and fund balance	<u>\$ 5,315</u>	<u>\$ 5,136</u>	<u>\$ 87</u>	<u>\$ 3,530</u>	<u>\$ 71</u>	<u>\$ 3,092</u>	<u>\$ 41,482</u>	<u>\$ 767</u>

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

	<b>Special Revenue Funds</b>							
	Title I School Improvement <u>Fund</u>	Title III Immigrant Funding <u>Fund</u>	Reading First <u>Fund</u>	ARRA - Title I <u>Fund</u>	ARRA - Entitlement IDEA-B <u>Fund</u>	ARRA - Preschool IDEA-B <u>Fund</u>	ARRA - IDEA-B CEIS <u>Fund</u>	ARRA - McKinney Vento Homeless <u>Fund</u>
<b>ASSETS</b>								
Pooled cash and investments	\$ -	\$ 52	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
Receivables:								
Grant	18,618	-	24,808	581	12,854	-	-	2
Food inventory	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 18,618</u></b>	<b><u>\$ 52</u></b>	<b><u>\$ 24,808</u></b>	<b><u>\$ 581</u></b>	<b><u>\$ 12,855</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2</u></b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	18,618	-	24,808	581	12,855	-	-	2
Deferred revenue:								
Federal, state, and local grants	-	52	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>18,618</u></b>	<b><u>52</u></b>	<b><u>24,808</u></b>	<b><u>581</u></b>	<b><u>12,855</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2</u></b>
<b>Fund balance:</b>								
Reserved for:								
Inventories	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Unreserved, designated for, and reported in:								
Special revenue funds	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 18,618</u></b>	<b><u>\$ 52</u></b>	<b><u>\$ 24,808</u></b>	<b><u>\$ 581</u></b>	<b><u>\$ 12,855</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2</u></b>

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds							
	Title XIX Medicaid <u>Fund</u>	ARRA - State Revitalization <u>Fund</u>	LANL Foundation <u>Fund</u>	Wallace Foundation <u>Fund</u>	Dual Credit Instructional Materials <u>Fund</u>	GO Bond Library <u>Fund</u>	Technology for Education <u>Fund</u>	Incentives for School Improvement <u>Fund</u>
<b>ASSETS</b>								
Pooled cash and investments	\$ 68,724	\$ 3,388	\$ 8,530	\$ 1	\$ -	\$ 1	\$ 13,305	\$ 388
Receivables:								
Grant	-	-	-	5,931	-	21,481	-	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 68,724</u>	<u>\$ 3,388</u>	<u>\$ 8,530</u>	<u>\$ 5,932</u>	<u>\$ -</u>	<u>\$ 21,482</u>	<u>\$ 13,305</u>	<u>\$ 388</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	5,932	-	21,482	-	-
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	-	-	-	-
Total liabilities	<u>674</u>	<u>-</u>	<u>-</u>	<u>5,932</u>	<u>-</u>	<u>21,482</u>	<u>-</u>	<u>-</u>
<b>Fund balance:</b>								
Reserved for:								
Inventories	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
Unreserved, designated for, and reported in:								
Special revenue funds	<u>68,050</u>	<u>3,388</u>	<u>8,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,305</u>	<u>388</u>
Total fund balance	<u>68,050</u>	<u>3,388</u>	<u>8,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,305</u>	<u>388</u>
Total liabilities and fund balance	<u>\$ 68,724</u>	<u>\$ 3,388</u>	<u>\$ 8,530</u>	<u>\$ 5,932</u>	<u>\$ -</u>	<u>\$ 21,482</u>	<u>\$ 13,305</u>	<u>\$ 388</u>

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

	Special Revenue Funds							
	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	SINOI Fund	Schools on the Rise Fund	Library Books Fund	Dairy Max Fund	Total Non-Major Special Revenue Funds	
<b>ASSETS</b>								
Pooled cash and investments	\$ 3,919	\$ 19,448	\$ -	\$ -	\$ 292	\$ 3,154	\$ 537,391	
Receivables:								
Grant	-	-	9,133	-	-	-	232,171	
Food inventory	-	-	-	-	-	-	39,771	
	-	-	-	-	-	-	-	
Total assets	<u>\$ 3,919</u>	<u>\$ 19,448</u>	<u>\$ 9,133</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ 3,154</u>	<u>\$ 809,333</u>	
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,255	
Due to other funds	-	-	9,133	-	-	-	229,034	
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	-	-	988	
	-	-	-	-	-	-	-	
Total liabilities	-	-	9,133	-	-	-	236,277	
<b>Fund balance:</b>								
Reserved for:								
Inventories	-	-	-	-	-	-	39,771	
Capital projects funds	-	-	-	-	-	-	-	
Unreserved, designated for, and reported in:								
Special revenue funds	<u>3,919</u>	<u>19,448</u>	<u>-</u>	<u>-</u>	<u>292</u>	<u>3,154</u>	<u>533,285</u>	
	<u>3,919</u>	<u>19,448</u>	<u>-</u>	<u>-</u>	<u>292</u>	<u>3,154</u>	<u>573,056</u>	
Total fund balance	<u>3,919</u>	<u>19,448</u>	<u>-</u>	<u>-</u>	<u>292</u>	<u>3,154</u>	<u>573,056</u>	
Total liabilities and fund balance	<u>\$ 3,919</u>	<u>\$ 19,448</u>	<u>\$ 9,133</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ 3,154</u>	<u>\$ 809,333</u>	

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

	<b>Capital Projects Funds</b>			
	Special Capital Outlay - Local <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Non-Major Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>ASSETS</b>				
Pooled cash and investments	\$ 121,503	\$ 17,656	\$ 139,159	\$ 676,550
Receivables:				
Grant	-	-	-	232,171
Food inventory	-	-	-	39,771
Total assets	\$ 121,503	\$ 17,656	\$ 139,159	\$ 948,492
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,255
Due to other funds	-	-	-	229,034
Deferred revenue:				
Federal, state, and local grants	-	-	-	988
Total liabilities	-	-	-	236,277
<b>Fund balance:</b>				
Reserved for:				
Inventories	-	-	-	39,771
Capital projects funds	121,503	17,656	139,159	139,159
Unreserved, designated for, and reported in:				
Special revenue funds	-	-	-	533,285
Total fund balance	121,503	17,656	139,159	712,215
Total liabilities and fund balance	\$ 121,503	\$ 17,656	\$ 139,159	\$ 948,492

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Food Service	Athletics	Title I	Entitlement IDEA-B
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ 849,260	\$ 846,919
Food and milk reimbursements	867,396	-	-	-
USDA Commodities	76,642	-	-	-
State sources:				
State grant	60,202	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	<u>350,164</u>	<u>176,841</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,354,404</u>	<u>176,841</u>	<u>849,260</u>	<u>846,919</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	151,824	692,913	220,756
Support Services - Students	-	-	44,748	437,937
Support Services - Instruction	-	-	45,315	-
Support Services - General Administration	-	-	66,284	143,995
Support Services - School Administration	-	-	-	37,592
Operations & Maintenance of Plant	-	-	-	-
Food Services	1,197,106	-	-	-
Community Services	-	-	-	6,639
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,197,106</u>	<u>151,824</u>	<u>849,260</u>	<u>846,919</u>
Excess (deficiency) of revenues over expenditures	157,298	25,017	-	-
Fund balance (deficit) at beginning of the year	<u>96,700</u>	<u>173,567</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 253,998</u>	<u>\$ 198,584</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Discretionary IDEA-B	Preschool IDEA-B	IDEA-B CEIS	Education of Homeless
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 90,614	\$ 44,067	\$ 4,478
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	-	90,614	44,067	4,478
<b>Expenditures:</b>				
Current:				
Instruction	-	6,177	-	-
Support Services - Students	-	63,156	43,203	4,478
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	21,281	864	-
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	90,614	44,067	4,478
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Fresh Fruits and Vegetables <u>Fund</u>	Title I - 1003g <u>Fund</u>	Comprehensive School Reform <u>Fund</u>	Title III - Incentive Awards <u>Fund</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 22,338	\$ 9,985	\$ -	\$ 3,529
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	22,338	9,985	-	3,529
Expenditures:				
Current:				
Instruction	-	9,985	-	3,529
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	22,338	-	-	-
Capital outlay	-	-	-	-
Total expenditures	22,338	9,985	-	3,529
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Title V <u>Fund</u>	Title III English Language <u>Fund</u>	Teacher/Principal Training <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 2,869	\$ 23,181	\$ 207,367	\$ 15,000
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	2,869	23,181	207,367	15,000
<b>Expenditures:</b>				
Current:				
Instruction	2,869	22,896	98,449	3,455
Support Services - Students	-	-	423	11,297
Support Services - Instruction	-	-	69,196	-
Support Services - General Administration	-	285	39,299	248
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,869	23,181	207,367	15,000
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Title I School Improvement <u>Fund</u>	Title III Immigrant Funding <u>Fund</u>	Reading First <u>Fund</u>	ARRA - Title I <u>Fund</u>
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 39,997	\$ -	\$ 144,116	\$ 162,091
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	39,997	-	144,116	162,091
<b>Expenditures:</b>				
Current:				
Instruction	39,997	-	141,290	-
Support Services - Students	-	-	-	7,763
Support Services - Instruction	-	-	-	151,150
Support Services - General Administration	-	-	2,826	3,178
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	39,997	-	144,116	162,091
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	ARRA - Entitlement IDEA-B <u>Fund</u>	ARRA - Preschool IDEA-B <u>Fund</u>	ARRA - IDEA-B CEIS <u>Fund</u>	ARRA - McKinney Vento Homeless <u>Fund</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 321,650	\$ 29,586	\$ 36,835	\$ 6,474
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	321,650	29,586	36,835	6,474
Expenditures:				
Current:				
Instruction	126,966	-	-	-
Support Services - Students	176,194	13,257	36,835	6,474
Support Services - Instruction	-	-	-	-
Support Services - General Administration	13,300	-	-	-
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay	5,190	16,329	-	-
Total expenditures	321,650	29,586	36,835	6,474
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Title XIX Medicaid <u>Fund</u>	ARRA - State Revitalization <u>Fund</u>	LANL Foundation <u>Fund</u>	Wallace Foundation <u>Fund</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 142,741	\$ 2,069,509	\$ -	\$ -
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	-	-	-	-
Local sources:				
Grant	-	-	-	60,021
Fees and activities	-	-	-	-
Total revenue	142,741	2,069,509	-	60,021
Expenditures:				
Current:				
Instruction	-	2,066,121	-	-
Support Services - Students	208,179	-	-	-
Support Services - Instruction	-	-	-	60,248
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay	21,628	-	-	-
Total expenditures	229,807	2,066,121	-	60,248
Excess (deficiency) of revenues over expenditures	(87,066)	3,388	-	(227)
Fund balance (deficit) at beginning of the year	155,116	-	8,530	227
Fund balance at end of the year	\$ 68,050	\$ 3,388	\$ 8,530	\$ -

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Dual Credit Instructional Materials <u>Fund</u>	GO Bond Library <u>Fund</u>	Technology for Education <u>Fund</u>	Incentives for School Improvement <u>Fund</u>
	<b>Revenues:</b>			
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	542	21,481	23,370	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	542	21,481	23,370	-
<b>Expenditures:</b>				
Current:				
Instruction	542	-	-	22,193
Support Services - Students	-	-	-	-
Support Services - Instruction	-	21,481	32,116	5,177
Support Services - General Administration	-	-	-	5,792
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	542	21,481	32,116	33,162
Excess (deficiency) of revenues over expenditures	-	-	(8,746)	(33,162)
Fund balance (deficit) at beginning of the year	-	-	22,051	33,550
Fund balance at end of the year	\$ -	\$ -	\$ 13,305	\$ 388

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	Special Revenue Funds			
	Beginning Teacher Mentoring <u>Fund</u>	Breakfast for Elementary Students <u>Fund</u>	SINOI <u>Fund</u>	Schools on the Rise <u>Fund</u>
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
State sources:				
State grant	9,610	79,692	67,989	3,984
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Total revenue	9,610	79,692	67,989	3,984
<b>Expenditures:</b>				
Current:				
Instruction	7,427	-	64,094	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	3,984
Support Services - General Administration	149	-	-	-
Support Services - School Administration	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Food Services	-	63,205	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	7,576	63,205	64,094	3,984
Excess (deficiency) of revenues over expenditures	2,034	16,487	3,895	-
Fund balance (deficit) at beginning of the year	1,885	2,961	(3,895)	-
Fund balance at end of the year	\$ 3,919	\$ 19,448	\$ -	\$ -

(continued)



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>		
	Library Books <u>Fund</u>	Dairy Max <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>Revenues:</b>			
Federal sources:			
Federal flowthrough grants	\$ -	\$ -	\$ 5,072,606
Food and milk reimbursements	-	-	867,396
USDA Commodities	-	-	76,642
State sources:			
State grant	-	-	266,870
Local sources:			
Grant	-	-	60,021
Fees and activities	-	-	527,005
Total revenue	-	-	6,870,540
<b>Expenditures:</b>			
Current:			
Instruction	-	1,794	3,683,277
Support Services - Students	-	-	1,053,944
Support Services - Instruction	-	-	388,667
Support Services - General Administration	-	-	297,501
Support Services - School Administration	-	-	37,592
Operations & Maintenance of Plant	-	-	-
Food Services	-	129	1,260,440
Community Services	-	-	28,977
Capital outlay	-	-	43,147
Total expenditures	-	1,923	6,793,545
Excess (deficiency) of revenues over expenditures	-	(1,923)	76,995
Fund balance (deficit) at beginning of the year	292	5,077	496,061
Fund balance at end of the year	\$ 292	\$ 3,154	\$ 573,056

(continued)

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Capital Projects Funds</b>			
	Special Capital Outlay - Local <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 5,072,606
Food and milk reimbursements	-	-	-	867,396
USDA Commodities	-	-	-	76,642
State sources:				
State grant	-	-	-	266,870
Local sources:				
Grant	-	-	-	60,021
Fees and activities	-	-	-	527,005
Total revenue	-	-	-	6,870,540
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	3,683,277
Support Services - Students	-	-	-	1,053,944
Support Services - Instruction	-	-	-	388,667
Support Services - General Administration	-	-	-	297,501
Support Services - School Administration	-	-	-	37,592
Operations & Maintenance of Plant	-	5,173	5,173	5,173
Food Services	-	-	-	1,260,440
Community Services	-	-	-	28,977
Capital outlay	-	13,449	13,449	56,596
Total expenditures	-	18,622	18,622	6,812,167
Excess (deficiency) of revenues over expenditures	-	(18,622)	(18,622)	58,373
Fund balance (deficit) at beginning of the year	121,503	36,278	157,781	653,842
Fund balance at end of the year	\$ 121,503	\$ 17,656	\$ 139,159	\$ 712,215

## **BUDGETARY PRESENTATION**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2010

---

**FOOD SERVICES**

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

**ATHLETICS**

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

**TITLE I**

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

**ENTITLEMENT/DISCRETIONARY IDEA-B**

The Entitlement/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

**PRESCHOOL IDEA-B**

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

**IDEA-B CEIS**

Up to 15% of combined entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities; (2) Must be used to supplement State, local, and other Federal funds and not to supplant such funds; and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

**EDUCATION OF HOMELESS**

To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States, Outlying Areas, and the Department of Interior/Bureau of Indian Education (BIE) to: (1) establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies to support the education of those children. Authorization: McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**FRESH FRUITS AND VEGETABLES**

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2010

---

**TITLE I – 1003G**

To strengthen the capacity to carry out program improvement responsibilities required under Sections 1116 and 1117 of Title I of the ESEA by (1) building District capacity to provide leadership in implementing effective school improvement strategies for local educational agencies (LEAs) and schools that have been identified for improvement, are in corrective action, and are in the restructuring process and (2) providing resources to LEAs to support school improvement activities, including the development and implementation of effective restructuring plans. Authorized by Elementary and Secondary Education Act (ESEA), as amended, Executive Order Section 1003(g), Title I.

**COMPREHENSIVE SCHOOL REFORM**

The Comprehensive School Reform (CSR) program support for a clearinghouse of school reform projects. Authorization (040): Elementary and Secondary Education Act, as amended, Title I, Part F.

**TITLE III – INCENTIVE AWARDS**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**TITLE V**

To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

**TITLE III ENGLISH LANGUAGE**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**TEACHER/PRINCIPAL TRAINING**

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2010

---

---

**TITLE IV DRUG FREE SCHOOLS**

To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

**TITLE I SCHOOL IMPROVEMENT**

To develop parental involvement in the school curriculum. The program is funded by the United States government under P.L. 100-297.

**TITLE III – IMMIGRANT FUNDING**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**READING FIRST**

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authorization is granted by Elementary and Secondary Education Act of 1965 (ESEA), as amended, Public Law 107-110.

**ARRA – TITLE I**

Use of funds varies, depending on whether a school is operating a schoolwide program under Title I, section 1114 of ESEA or a targeted assistance program under Section 1115 of the ESEA. A school with at least a 40 percent poverty rate may choose to operate a schoolwide program under Section 1114 that allows Title I funds to be combined with other Federal, State, and local funds to upgrade the school's overall instructional program. Schoolwide program schools must receive the amount of non-Federal resources they would have received in the absence of Title I funds. All other participating schools must operate targeted assistance programs that provide extra instruction to those children failings, or most at risk of failing, to meet State academic achievement standards. Targeted assistance programs must ensure that Title I services supplement, and do not supplant the regular education programs normally provided with non-Federal funds by local educational agencies. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate, which is referenced under 34 CFR 76.564-76.569. Authorization: Elementary and Secondary Education Act of 1965 (ESEA), Title I, Part A, 20 U.S.C. 6301 et seq. and the American Recovery and Reinvestment Act of 2010 (ARRA), Public Law 111-5.

**ARRA – ENTITLEMENT IDEA-B**

Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2010 (ARRA), Public Law 111-5.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2010

---

**ARRA – PRESCHOOL IDEA-B**

To provide grants to States to assist them to make available special education and related services for children with disabilities ages 3 through 5 years, and at a State's discretion, to 2-year-old children with disabilities who will reach age three during the school year.

**ARRA – IDEA-B CEIS**

Up to 15% of combined ARRA entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities; (2) Must be used to supplement State, local, and other Federal funds and not to supplant such funds; and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

**ARRA – MCKINNEY VENTO HOMELESS**

Funding under this award must be used as specified by the American Recovery and Reinvestment Act of 2009 to assist homeless children and youth in enrolling, attending, and succeeding in school. In particular, the funds may support any of the activities under section 723(d) of the McKinney-Vento Act (42 U.S.c. 11433(d)); American Recovery and Reinvestment Act of 2009 (ARRA),, Public Law 111-5..

**TITLE XIX MEDICAID**

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

**ARRA – STATE REVITALIZATION**

To support and restore funding for elementary, secondary, and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies. Authorization: American Recovery and Reinvestment Act of 2009 (ARRA), Division A, Title XIV, Public Law 111-5.

**LANL FOUNDATION**

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

**WALLACE FOUNDATION**

The purpose of this program is to provide funding to develop the use and understanding of accountability to build effective leaders in the educational system along with improving student achievement. Funds are acquired from federal sources through the New Mexico Department of Finance and Administration. Funding is provided by the Wallace Foundation a private funding for the State Action for Education Leadership Project.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

**NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2010**

---

**DUAL CREDIT INSTRUCTIONAL MATERIALS**

To be used for courses approved by Higher Education Department (RED) and through a college/university for which the district has an approved agreement.

**GO BONDLIBRARY**

To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2008 SB333

**TECHNOLOGY FOR EDUCATION**

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

**INCENTIVE FOR SCHOOL IMPROVEMENTS**

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

**BEGINNING TEACHER MENTORING**

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

**BREAKFAST FOR ELEMENTARY STUDENTS**

To provide elementary students with the nutrition necessary to facilitate learning.

**SINOI**

To assist in the improvement of the Adequate Yearly Progress (AYP) goals.

**SCHOOLS ON THE RISE**

To provide schools with addition funds for education materials.

**LIBRARY BOOKS**

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

**DAIRY MAX**

The goal of the awards program is to call attention to the importance of alternate school breakfast. Offering breakfast outside of the classroom increases participation by providing service for children who arrive late or who prefer to socialize rather than eat, and by helping to remove the potential social stigma that the program is meant for low-income students.



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FOOD SERVICE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 607,515	\$ 787,515	\$ 927,598	\$ 140,083
USDA Commodities	68,000	68,000	67,687	(313)
Local sources:				
Fees and activities	<u>369,002</u>	<u>369,002</u>	<u>350,164</u>	<u>(18,838)</u>
Total revenues	1,044,517	1,224,517	1,345,449	120,932
Expenditures:				
Current:				
Food Services Operations	<u>1,087,132</u>	<u>1,267,132</u>	<u>1,164,010</u>	<u>103,122</u>
Excess (deficiency) of revenues over expenditures	(42,615)	(42,615)	181,439	224,054
Beginning cash balance budgeted	42,615	42,615	-	(42,615)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>96,700</u>	<u>96,700</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	278,139	<u>\$ 278,139</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(25,128)	
Change in payables			<u>987</u>	
			<u>\$ 253,998</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ATHLETICS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 104,500	\$ 104,500	\$ 177,251	\$ 72,751
Expenditures:				
Current:				
Instruction	210,504	272,144	151,824	120,320
Capital outlay:				
Equipment	<u>5,513</u>	<u>5,513</u>	-	<u>5,513</u>
Total expenditures	<u>216,017</u>	<u>277,657</u>	<u>151,824</u>	<u>125,833</u>
Excess (deficiency) of revenues over expenditures	(111,517)	(173,157)	25,427	198,584
Beginning cash balance budgeted	111,517	173,157	-	(173,157)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>173,567</u>	<u>173,567</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	198,994	<u>\$ 198,994</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(410)</u>	
			<u>\$ 198,584</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE I SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 836,471	\$ 940,143	\$ 899,428	\$ (40,715)
<b>Expenditures:</b>				
Current:				
Instruction	665,691	735,837	692,913	42,924
Support Services - Students	26,730	86,686	44,748	41,938
Support Services - Instruction	44,786	45,325	45,315	10
Support Services - General Administration	91,264	66,295	66,284	11
Student Transportation	<u>8,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total expenditures	<u>836,471</u>	<u>940,143</u>	<u>849,260</u>	<u>90,883</u>
Excess of revenues over expenditures	-	-	50,168	50,168
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	50,168	<u>\$ 50,168</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>(50,168)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 936,383	\$ 1,032,280	\$ 95,897
<b>Expenditures:</b>				
Current:				
Instruction	-	243,677	221,835	21,842
Support Services - Students	-	480,992	437,885	43,107
Support Services - Instruction	-	149,289	143,995	5,294
Support Services - General Administration	-	47,755	37,592	10,163
Community Services Operations	-	14,670	6,639	8,031
Total expenditures	-	936,383	847,946	88,437
Excess of revenues over expenditures	-	-	184,334	184,334
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	184,334	\$ 184,334
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(185,362)	
Change in payables			1,028	
			\$ -	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 26,737	\$ 26,737
 Expenditures:				
Current:				
Instruction	-	-	-	-
 Excess of revenues over expenditures	-	-	26,737	26,737
 Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	26,737	<u>\$ 26,737</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(26,726)	
Change in deferred revenue			<u>(11)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

PRESCHOOL IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 96,845	\$ 89,283	\$ (7,562)
Expenditures:				
Current:				
Instruction	-	6,845	6,178	667
Support Services - Students	-	66,302	63,074	3,228
Support Services - General Administration	-	<u>23,698</u>	<u>21,281</u>	<u>2,417</u>
Total expenditures	-	<u>96,845</u>	<u>90,533</u>	<u>6,312</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,250)	(1,250)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,250)	<u>\$ (1,250)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,332	
Change in payables			<u>(82)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

IDEA-B CEIS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 60,043	\$ 60,043	\$ 43,868	\$ (16,175)
Expenditures:				
Current:				
Instruction	58,866	106	-	106
Support Services - Students	-	58,697	43,203	15,494
Support Services - General Administration	<u>1,177</u>	<u>1,240</u>	<u>864</u>	<u>376</u>
Total expenditures	<u>60,043</u>	<u>60,043</u>	<u>44,067</u>	<u>15,976</u>
Excess (deficiency) of revenues over expenditures	-	-	(199)	(199)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(199)	<u>\$ (199)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>199</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

EDUCATION OF HOMELESS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 5,000	\$ 8,858	\$ 3,858
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	5,000	4,478	522
Excess of revenues over expenditures	-	-	4,380	4,380
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,380	<u>\$ 4,380</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(4,380)	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 24,050	\$ 25,370	\$ 1,320
 Expenditures:				
Current:				
Food Services Operations	-	24,050	22,338	1,712
Excess of revenues over expenditures	-	-	3,032	3,032
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,032	<u>\$ 3,032</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,032)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE I - 1003G SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 9,986	\$ 22,203	\$ 12,217
 Expenditures:				
Current:				
Instruction	-	9,986	9,986	-
Excess of revenues over expenditures	-	-	12,217	12,217
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,217	<u>\$ 12,217</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(12,217)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

COMPREHENSIVE SCHOOL REFORM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE III - INCENTIVE AWARDS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 3,682	\$ -	\$ (3,682)
<b>Expenditures:</b>				
Current:				
Instruction	-	3,682	3,529	153
Excess (deficiency) of revenues over expenditures	-	-	(3,529)	(3,529)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,529)	<u>\$ (3,529)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>3,529</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE V SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 2,872	\$ 3,597	\$ 725
<b>Expenditures:</b>				
Current:				
Instruction	-	2,872	2,869	3
Excess of revenues over expenditures	-	-	728	728
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	728	<u>\$ 728</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(657)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE III ENGLISH LANGUAGE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 14,560	\$ 25,757	\$ 22,176	\$ (3,581)
 Expenditures:				
Current:				
Instruction	14,275	25,472	22,896	2,576
Support Services - General Administration	<u>285</u>	<u>285</u>	<u>285</u>	<u>-</u>
Total expenditures	<u>14,560</u>	<u>25,757</u>	<u>23,181</u>	<u>2,576</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,005)	(1,005)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,005)	<u>\$ (1,005)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,005</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TEACHER/PRINCIPAL TRAINING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 193,562	\$ 235,737	\$ 198,790	\$ (36,947)
Expenditures:				
Current:				
Instruction	63,438	105,613	93,899	11,714
Support Services - Students	-	583	423	160
Support Services - Instruction	94,814	81,951	69,195	12,756
Support Services - General Administration	<u>35,310</u>	<u>47,590</u>	<u>39,544</u>	<u>8,046</u>
Total expenditures	<u>193,562</u>	<u>235,737</u>	<u>203,061</u>	<u>32,676</u>
Excess (deficiency) of revenues over expenditures	-	-	(4,271)	(4,271)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(4,271)	<u>\$ (4,271)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			8,576	
Change in payables			<u>(4,305)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 15,007	\$ 15,007	\$ 14,988	\$ (19)
Expenditures:				
Current:				
Instruction	9,125	3,455	3,455	-
Support Services - Students	5,594	11,304	11,297	7
Support Services - General Administration	<u>288</u>	<u>248</u>	<u>248</u>	<u>-</u>
Total expenditures	<u>15,007</u>	<u>15,007</u>	<u>15,000</u>	<u>7</u>
Excess (deficiency) of revenues over expenditures	-	-	(12)	(12)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(12)	<u>\$ (12)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>12</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 40,000	\$ 21,379	\$ (18,621)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>40,000</u>	<u>39,997</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	-	-	(18,618)	(18,618)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(18,618)</u>	<u>\$ (18,618)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>18,618</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE III IMMIGRANT FUNDING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

READING FIRST SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal grant	\$ 289,631	\$ 144,815	\$ 119,308	\$ (25,507)
Expenditures:				
Current:				
Instruction	284,001	141,985	141,290	695
Support Services - General Administration	5,630	2,830	2,826	4
Total expenditures	289,631	144,815	144,116	699
Excess (deficiency) of revenues over expenditures	-	-	(24,808)	(24,808)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(24,808)	\$ (24,808)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			24,808	
			\$ -	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - TITLE I SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 204,822	\$ 407,510	\$ 161,510	\$ (246,000)
Expenditures:				
Current:				
Support Services - Students	202,774	247,110	7,763	239,347
Support Services - Instruction	-	157,221	151,150	6,071
Support Services - General Administration	<u>2,048</u>	<u>3,179</u>	<u>3,178</u>	<u>1</u>
Total expenditures	<u>204,822</u>	<u>407,510</u>	<u>162,091</u>	<u>245,419</u>
Excess (deficiency) of revenues over expenditures	-	-	(581)	(581)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(581)	<u>\$ (581)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>581</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - ENTITLEMENT IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 852,057	\$ 308,796	\$ (543,261)
Expenditures:				
Current:				
Instruction	-	260,589	126,966	133,623
Support Services - Students	-	507,733	176,194	331,539
Support Services - General Administration	-	43,159	13,300	29,859
Capital outlay:				
Equipment	-	40,576	5,190	35,386
Total expenditures	-	852,057	321,650	530,407
Excess (deficiency) of revenues over expenditures	-	-	(12,854)	(12,854)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(12,854)	\$ (12,854)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			12,854	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - PRESCHOOL IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 35,408	\$ 35,408	\$ 29,586	\$ (5,822)
Expenditures:				
Current:				
Support Services - Students	5,000	13,400	13,257	143
Capital outlay:				
Equipment	<u>30,408</u>	<u>22,008</u>	<u>16,329</u>	<u>5,679</u>
Total expenditures	<u>35,408</u>	<u>35,408</u>	<u>29,586</u>	<u>5,822</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - IDEA-B CEIS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 69,099	\$ 36,835	\$ (32,264)
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	69,099	36,835	32,264
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			\$ -	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - MCKINNEY VENTO HOMELESS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 12,000	\$ 6,472	\$ (5,528)
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	12,000	6,474	5,526
Excess (deficiency) of revenues over expenditures	-	-	(2)	(2)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2)	<u>\$ (2)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>2</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TITLE XIX MEDICAID SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grant	\$ 150,000	\$ 150,000	\$ 152,260	\$ 2,260
Expenditures:				
Current:				
Support Services - Students	150,000	272,086	207,995	64,091
Capital outlay:				
Equipment	-	24,000	21,628	2,372
Total expenditures	<u>150,000</u>	<u>296,086</u>	<u>229,623</u>	<u>66,463</u>
Excess (deficiency) of revenues over expenditures	-	(146,086)	(77,363)	68,723
Beginning cash balance budgeted	-	146,086	-	(146,086)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>155,116</u>	<u>155,116</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	77,753	<u>\$ 77,753</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(9,519)	
Change in payables			<u>(184)</u>	
			<u>\$ 68,050</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

ARRA - STATE REVITALIZATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 1,647,876	\$ 2,069,508	\$ 2,069,509	\$ 1
 Expenditures:				
Current:				
Support Services - Students	<u>1,647,876</u>	<u>2,069,508</u>	<u>2,066,121</u>	<u>3,387</u>
Excess of revenues over expenditures	-	-	3,388	3,388
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,388	<u>\$ 3,388</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 3,388</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

LANL FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	8,530	8,530
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,530	<u>\$ 8,530</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 8,530</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

WALLACE FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 92,343	\$ 92,343
 Expenditures:				
Current:				
Support Services - Instruction	<u>-</u>	<u>65,000</u>	<u>60,247</u>	<u>4,753</u>
Excess (deficiency) of revenues over expenditures	-	(65,000)	32,096	97,096
Beginning cash balance budgeted	-	65,000	-	(65,000)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>227</u>	<u>227</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>32,323</u>	<u>\$ 32,323</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(32,323)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DUAL CREDIT INSTRUCTIONAL MATATERIALS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 2,200	\$ 542	\$ (1,658)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>2,200</u>	<u>542</u>	<u>1,658</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

GO BOND LIBRARY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 29,005	\$ -	\$ (29,005)
<b>Expenditures:</b>				
Current:				
Instruction	-	29,005	21,481	7,524
Excess (deficiency) of revenues over expenditures	-	-	(21,481)	(21,481)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(21,481)	<u>\$ (21,481)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>21,481</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 23,789	\$ 23,370	\$ (419)
 <b>Expenditures:</b>				
Current:				
Support Services - Instruction	-	32,124	32,116	8
Excess (deficiency) of revenues over expenditures	-	(8,335)	(8,746)	(411)
Beginning cash balance budgeted	-	8,335	-	(8,335)
Fund balance at beginning of the year	-	-	22,051	22,051
Fund balance at end of the year	\$ -	\$ -	13,305	\$ 13,305
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			\$ 13,305	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	22,577	22,193	384
Support Services - General Administration	-	5,179	5,177	2
Support Services - School Administration	-	5,794	5,792	2
Total expenditures	-	33,550	33,162	388
Excess (deficiency) of revenues over expenditures	-	(33,550)	(33,162)	388
Beginning cash balance budgeted	-	33,550	-	(33,550)
Fund balance at beginning of the year	-	-	33,550	33,550
Fund balance at end of the year	\$ -	\$ -	388	\$ 388
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
			\$ 388	



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 7,980	\$ 9,610	\$ 1,630
Expenditures:				
Current:				
Instruction	-	7,436	7,427	9
Support Services - General Administration	-	544	149	395
Total expenditures	-	7,980	7,576	404
Excess of revenues over expenditures	-	-	2,034	2,034
Fund balance at beginning of the year	-	-	1,885	1,885
Fund balance at end of the year	\$ -	\$ -	3,919	\$ 3,919
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 3,919</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 79,692	\$ 79,692	\$ -
 Expenditures:				
Current:				
Food Services Operations	-	79,692	63,205	16,487
Excess of revenues over expenditures	-	-	16,487	16,487
Fund balance at beginning of the year	-	-	2,961	2,961
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	19,448	<u>\$ 19,448</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 19,448</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SINOI SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 68,289	\$ 77,021	\$ 8,732
<b>Expenditures:</b>				
Current:				
Instruction	-	68,289	64,094	4,195
Excess of revenues over expenditures	-	-	12,927	12,927
Fund balance (deficit) at beginning of the year	-	-	(3,895)	(3,895)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,032	<u>\$ 9,032</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(9,032)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHOOLS ON THE RISE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 4,000	\$ 3,984	\$ (16)
 Expenditures:				
Current:				
Support Services - Instruction	-	4,000	3,984	16
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

LIBRARY BOOKS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	292	292
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	292	<u>\$ 292</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 292</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DAIRY MAX SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	1,802	1,794	8
Food Services Operations	-	3,275	129	3,146
Total expenditures	-	5,077	1,923	3,154
Excess (deficiency) of revenues over expenditures	-	(5,077)	(1,923)	3,154
Beginning cash balance budgeted	-	5,077	-	(5,077)
Fund balance at beginning of the year	-	-	5,077	5,077
Fund balance at end of the year	\$ -	\$ -	3,154	\$ 3,154
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 3,154	

**STATE OF NEW MEXICO**  
**MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

**CAPITAL PROJECTS FUNDS**  
Year Ended June 30, 2010

---

---

**BOND BUILDING FUND**

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

**SPECIAL CAPITAL OUTLAY - LOCAL**

This fund provides financing from local revenues for the construction and improvements to District building and facilities.

**SPECIAL CAPITAL OUTLAY - STATE**

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

**CAPITAL IMPROVEMENTS SB – 9**

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

**PUBLIC SCHOOL CAPITAL OUTLAY – 20%**

A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

BOND BUILDING CAPITAL PROJECTS FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Earnings from investments	\$ 68,503	\$ 68,503	\$ 20,245	\$ (48,258)
Miscellaneous	<u>          -</u>	<u>          -</u>	<u>        678</u>	<u>        678</u>
Total revenues	<u>68,503</u>	<u>68,503</u>	<u>20,923</u>	<u>(47,580)</u>
<b>Expenditures:</b>				
Current:				
Operation & Maintenance of Plant	900,000	2,171,428	1,206,009	965,419
Capital outlay:				
Equipment	-	113,264	52,834	60,430
Construction in progress	<u>8,372,332</u>	<u>7,381,429</u>	<u>3,865,873</u>	<u>3,515,556</u>
Total expenditures	<u>9,272,332</u>	<u>9,666,121</u>	<u>5,124,716</u>	<u>4,541,405</u>
Excess (deficiency) of revenues over expenditures	(9,203,829)	(9,597,618)	(5,103,793)	4,493,825
Other financing sources:				
Sale of bonds	<u>          -</u>	<u>          -</u>	<u>4,000,000</u>	<u>4,000,000</u>
Net change in fund balance	(9,203,829)	(9,597,618)	(1,103,793)	8,493,825
Beginning cash balance budgeted	9,203,829	9,597,618	-	(9,597,618)
Fund balance at beginning of the year	<u>          -</u>	<u>          -</u>	<u>9,593,367</u>	<u>9,593,367</u>
Fund balance at end of the year	<u>\$          -</u>	<u>\$          -</u>	<u>8,489,574</u>	<u>\$ 8,489,574</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>(78,035)</u>	
			<u>\$ 8,411,539</u>	



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	121,503	121,503
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	121,503	<u>\$ 121,503</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 121,503</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ 2,096,763	\$ 1,889,663	\$ 2,041,431	\$ 151,768
<b>Expenditures:</b>				
Current:				
Operation & Maintenance of Plant	-	16,499	16,498	1
Capital outlay:				
Construction in progress	<u>2,096,763</u>	<u>1,873,164</u>	<u>1,873,164</u>	<u>-</u>
Total expenditures	<u>2,096,763</u>	<u>1,889,663</u>	<u>1,889,662</u>	<u>1</u>
Excess of revenues over expenditures	-	-	151,769	151,769
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(540,276)</u>	<u>(540,276)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(388,507)</u>	<u>\$ (388,507)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			(58,597)	
Change in payables			<u>(343,316)</u>	
			 \$ (790,420)	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 69,853	\$ -	\$ (69,853)
Local sources:				
District school tax levy	886,204	886,204	901,335	15,131
Miscellaneous	<u>850</u>	<u>850</u>	<u>-</u>	<u>(850)</u>
Total revenues	<u>887,054</u>	<u>956,907</u>	<u>901,335</u>	<u>(55,572)</u>
<b>Expenditures:</b>				
Current:				
Support Services - General Administration	8,663	8,663	8,993	(330)
Operation & Maintenance of Plant	1,171,257	1,217,410	787,905	429,505
Capital outlay:				
Equipment	-	23,000	22,639	361
Construction in progress	<u>150,850</u>	<u>140,850</u>	<u>180</u>	<u>140,670</u>
Total expenditures	<u>1,330,770</u>	<u>1,389,923</u>	<u>819,717</u>	<u>570,206</u>
Excess (deficiency) of revenues over expenditures	(443,716)	(433,016)	81,618	514,634
Beginning cash balance budgeted	443,716	433,016	-	(433,016)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>571,129</u>	<u>571,129</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>652,747</u>	<u>\$ 652,747</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			221,005	
Change in due from other governments			13,126	
Change in payables			2,002	
Change in deferred property taxes			<u>(229,862)</u>	
			<u>\$ 659,018</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

PUBLIC SCHOOL CAPITAL OUTLAY - 20% CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ 73	\$ 73	\$ -	\$ (73)
Expenditures:				
Current:				
Operation & Maintenance of Plant	36,351	22,851	5,173	17,678
Capital outlay:				
Land and improvements	-	13,500	13,449	51
Total expenditures	<u>36,351</u>	<u>36,351</u>	<u>18,622</u>	<u>17,729</u>
Excess (deficiency) of revenues over expenditures	(36,278)	(36,278)	(18,622)	17,656
Beginning cash balance budgeted	36,278	36,278	-	(36,278)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>36,278</u>	<u>36,278</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>17,656</u>	<u>\$ 17,656</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 17,656</u>	

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DEBT SERVICE FUND  
Year Ended June 30, 2010

---

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**THIS PAGE INTENTIONALLY LEFT BLANK**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

DEBT SERVICE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 3,879,427	\$ 3,879,427	\$ 3,998,138	\$ 118,711
Earnings from investments	<u>10,015</u>	<u>10,015</u>	<u>5,241</u>	<u>(4,774)</u>
Total revenues	<u>3,889,442</u>	<u>3,889,442</u>	<u>4,003,379</u>	<u>113,937</u>
<b>Expenditures:</b>				
Current:				
Support Services - General Administration	38,795	38,795	39,926	(1,131)
Debt service:				
Principal retirement	2,935,000	3,485,000	3,485,000	-
Bond interest paid	944,427	958,453	958,452	1
Reserves	<u>2,627,319</u>	<u>2,063,293</u>	<u>-</u>	<u>2,063,293</u>
Total expenditures	<u>6,545,541</u>	<u>6,545,541</u>	<u>4,483,378</u>	<u>2,062,163</u>
Excess (deficiency) of revenues over expenditures	(2,656,099)	(2,656,099)	(479,999)	2,176,100
Beginning cash balance budgeted	2,656,099	2,656,099	-	(2,656,099)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,917,337</u>	<u>2,917,337</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,437,338</u>	<u>\$ 2,437,338</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			1,020,920	
Change in due from other governments			56,763	
Change in deferred property taxes			<u>(1,052,595)</u>	
			<u>\$ 2,462,426</u>	

**THIS PAGE INTENTIONALLY LEFT BLANK**



**OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2010

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2010</u>
23100	Mountain View Elementary School	\$ 20,819	\$ 16,824	\$ 20,340		\$ 17,303
23200	Moriarty Elementary School	19,328	17,672	21,589		15,411
23300	South Mountain Elementary School	11,946	13,699	15,997		9,648
23400	Moriarty Middle School	25,015	18,609	18,035		25,589
23500	Moriarty High School	105,992	173,855	220,780		59,067
23600	Edgewood Elementary School	11,970	141,629	87,959		65,640
23700	Route 66 Elementary School	26,133	13,369	17,221		22,281
23800	District Office	76,473	18,577	9,223		85,827
23900	Edgewood Middle School	<u>37,320</u>	<u>26,620</u>	<u>33,713</u>		<u>30,227</u>
	Pooled cash and investments	<u>\$ 334,996</u>	<u>\$ 440,854</u>	<u>\$ 444,857</u>		<u>\$ 330,993</u>
	<b>LIABILITIES</b>					
	Deposits held for others	<u>\$ 334,996</u>	<u>\$ 440,854</u>	<u>\$ 444,857</u>		<u>\$ 330,993</u>

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

**SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2010**

	<u>Wells Fargo Bank</u>	<u>Wells Fargo Money Market</u>	<u>First Community Bank</u>	<u>Total</u>
Cash on deposit at June 30, 2010	\$ 6,692,034	\$ 7,102,717	\$ 2,337,470	\$ 16,132,221
Less FDIC coverage	<u>250,000</u>	<u>-</u>	<u>2,337,470</u>	<u>2,587,470</u>
Uninsured funds	<u>\$ 6,442,034</u>	<u>\$ 7,102,717</u>	<u>\$ -</u>	<u>\$ 13,544,751</u>
50% collateral requirement	\$ 3,221,017	\$ 3,551,359	\$ -	\$ 6,772,376
Pledged collateral	<u>6,502,176</u>	<u>-</u>	<u>-</u>	<u>6,502,176</u>
Excess (deficiency) of pledged collateral	<u>\$ 3,281,159</u>	<u>\$ (3,551,359)</u>	<u>\$ -</u>	<u>\$ (270,200)</u>

Pledged collateral of financial institutions consists of the following at June 30, 2010

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Wells Fargo Bank:			
FNMAP	4/1/2037	31411 VFP9	\$ 857,636
FNMAP	2/1/2038	31416 BL63	<u>5,644,540</u>
			<u>\$ 6,502,176</u>

The above securities are held at Federal Home Loan Bank in Dallas, TX.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

CASH RECONCILIATION  
June 30, 2010

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 1,660,777	\$ 21,610,398	\$ (21,778,389)	\$ 329,317	\$ 1,822,103	\$ -	\$ 1,822,103
Transportation	902	2,400,675	(2,320,099)	-	81,478	-	81,478
Instructional Materials	64,059	132,045	(153,094)	-	43,010	-	43,010
Food Services	33,592	1,345,450	(1,164,010)	-	215,032	-	215,032
Athletics	173,157	177,251	(151,824)	-	198,584	-	198,584
Federal Flowthrough Funds	923	3,071,467	(2,856,998)	(212,767)	2,625	-	2,625
Federal Direct Funds	146,087	2,221,768	(2,295,743)	-	72,112	-	72,112
Local Grants	8,531	92,343	(60,247)	(32,096)	8,531	-	8,531
State Flowthrough Funds	60,739	194,220	(226,160)	8,554	37,353	-	37,353
Local/State	5,077	-	(1,923)	-	3,154	-	3,154
Bond Building	9,602,376	4,020,245	(5,124,716)	-	8,497,905	-	8,497,905
Special Capital Outlay - Local	121,503	-	-	-	121,503	-	121,503
Special Capital Outlay - State	-	2,041,432	(1,889,663)	(92,330)	59,439	-	59,439
Capital Improvements SB-9	580,885	901,334	(819,717)	-	662,502	-	662,502
Public School Capital Outlay - 20%	36,278	-	(18,622)	-	17,656	-	17,656
Debt Service	2,817,470	4,003,379	(4,483,378)	-	2,337,471	-	2,337,471
Agency Funds	-	-	-	-	-	330,993	330,993
<b>Total</b>	<b>\$ 15,312,356</b>	<b>\$ 42,212,007</b>	<b>\$ (43,344,583)</b>	<b>\$ 678</b>	<b>\$ 14,180,458</b>	<b>\$ 330,993</b>	<b>\$ 14,511,451</b>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking	Wells Fargo Bank	\$ 6,692,034	Agency funds	\$ 330,993
Operational	Money Market	Wells Fargo Bank	7,102,717		
Student nutrition	Checking	First Community Bank	2,337,470	Adjustments to cash:	
<b>Total</b>			<b>\$ 16,132,221</b>	Bank Balance	\$ 16,132,221
				Outstanding deposits	-
				Outstanding checks	(1,620,770)
				Reconciling errors	-
				<b>Total adjustment to cash</b>	<b>\$ 14,511,451</b>

**SINGLE AUDIT SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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**

**THIS PAGE INTENTIONALLY LEFT BLANK**



# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900  
Fax (505) 566-1911

## 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 H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Moriarty-Edgewood School District No. 8

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Moriarty-Edgewood School District No. 8 as of and for the year ended June 30, 2010, and have issued our report thereon dated October 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Moriarty-Edgewood School District No. 8'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 Moriarty-Edgewood School District No. 8's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Moriarty-Edgewood School District No. 8's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900  
Fax (505) 566-1911

---

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Moriarty-Edgewood School District No. 8

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. Findings 2010 – 1 through 2010 – 4.

### Compliance and other matters

As part of obtaining reasonable assurance about whether Moriarty-Edgewood School District No. 8's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6- 5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2010 – 1 through 2010 – 4.

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

This report is intended solely for the information and use of management, others within the Moriarty-Edgewood School District No. 8, the U.S. Department of Education, State Auditor, the New Mexico Legislature, New Mexico 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.



October 22, 2010

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900  
Fax (505) 566-1911

---

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

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Moriarty-Edgewood School District No. 8

### Compliance

We have audited Moriarty-Edgewood School District No. 8's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* (Revised June 2010) that could have a direct and material effect on each of Moriarty-Edgewood School District No. 8's major federal programs for the year ended June 30, 2010. Moriarty-Edgewood School District No. 8's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Moriarty-Edgewood School District No. 8's management. Our responsibility is to express an opinion on Example Entity's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Moriarty-Edgewood School District No. 8's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Moriarty-Edgewood School District No. 8's compliance with those requirements.

In our opinion, Moriarty-Edgewood School District No. 8 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

Management of Moriarty-Edgewood School District No. 8 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Moriarty-Edgewood School District No. 8's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Moriarty-Edgewood School District No. 8's internal control over compliance.

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

---

Hector H. Balderas, State Auditor  
The Board of Education and  
The Audit Committee of  
Moriarty-Edgewood School District No. 8

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

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

This report is intended solely for the information and use of management, others within the Moriarty-Edgewood School District No. 8, the State Auditor, the New Mexico Legislature, New Mexico 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.



October 22, 2010

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2010

---

A. PRIOR YEAR AUDIT FINDINGS

FS-09-01 Inventory Accounting System CFDA No. 10.550, Student Nutrition Program, 21000, 2009,  
Department of Agriculture.

Current Status: Resolved. Not repeated in the current year.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

---

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Moriarty-Edgewood School District No. 8.
2. There were four significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. None of the significant deficiencies were considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Moriarty-Edgewood School District No. 8 disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Moriarty-Edgewood School District No. 8 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Moriarty-Edgewood School District No. 8 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
  - Title I, Part A Cluster CFDA# 84.010 and 84.389;
  - USDA Child Nutrition Cluster CFDA# 10.555 and 10.553;
  - Special Education (IDEA) Cluster CFDA# 84.027, 84.173, 84.391, and 84.392; and
  - ARRA - State Revitalization CFDA# 84.394.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Moriarty-Edgewood School District No. 8 was not determined to be a low-risk auditee.



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

---

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2010 – 1 PUBLIC MONIES WERE NOT ADEQUATELY SECURED

*Condition:* The District had \$7,102,717 invested in a money market that was not backed by United States Government securities at June 30, 2010. This left the funds uninsured and uncollateralized.

*Criteria:* School districts are allowed to temporarily invest deposits not immediately needed for operations in securities that are issued by the United States government, or by their departments or agencies, and are either direct obligations of the state or the United States or are backed by full faith and credit of those governments in accordance as per 1978 NMSA 22-8-40. Consequently this also resulted in a violation of 1978 NMSA 6-10-17, “Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money.”

*Effect of condition:* The District was exposed to potential loss of public monies and was in violation of 1978 NMAC 22-8-40 and 6-10-17.

*Cause:* The District was misinformed by the investment company as to the exact state statute regarding investments for school districts and was also misinformed as to the risk of investment loss.

*Recommendation:* The District should move the invested monies to a money market account that is comprised completely of United States backed securities as soon as possible in order to remove the current risk of loss.

*Management’s response:* The District has taken immediate steps to ensure adequate collateral security for deposits of public monies, and investment monies are in an investment adequately insured by U.S. Government securities as required by State Statute.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2010 – 2      LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal yearend:

Capital Improvements SB-9 Capital Projects Fund	Support Services - Gen Admin	\$	330
Debt Service Fund	Support Services - Gen Admin	\$	1,131

*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines.

*Effect of Condition:* Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Could lead to expenditures being paid in excess of total budgeted amounts.

*Cause:* The District is limited to June 1 for submitting budget adjustments to the State. Additionally the State determines the amount to be budgeted for the 1% fee assessed by the county for property taxes collected and distributed. The District received taxes from the county during the month of June. The recording of the 1% fee caused the budget line item to be over spent due to the District not being able to submit a budget adjustment after June 1 for that fee or being able to increase that line items budget for anticipated taxes to be received after June 1.

*Recommendation:* Management should work with the State to resolve this issue. There should be an allowance for a budget adjustment after June 1 for this particular expenditure or an allowance for excess budget should be made for the anticipated 1% fee for tax collection.

*Management's response:* The District monitors budget line items carefully and this finding relates to the timing of information. Therefore, in December the District will submit a PED BAR to forecast the overage of the 1% fees for 2-Mill Tax Levy receipts received after the PED BAR June deadline.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

---

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2010 – 3 MISSING BACKGROUND CHECKS

*Condition:* One of 30 employee files selected for testing had missing background check.

*Criteria:* In accordance 1978 NMSA 22-10A-5, all employees who have access to children are required to have a background check completed and approved.

*Effect of condition:* The school is out of compliance with requirements for 1978 NMSA 22-10A-5.

*Cause:* The district is not maintaining adequate controls over employee hiring.

*Recommendation:* The district should not employ any individual without prior receipt of the cleared background check.

*Management's response:* The District has extended existing controls over background checks to cover the unusual circumstances noted in this finding. The District implemented a new document to ensure all employee information/documents have been received, prior to authorizing payment from payroll.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

---

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2010 – 4 FRAUDULENT TIMECARDS

*Condition:* There were incidents of a substitute teacher that had submitted fraudulent timecards over the period from November 2008 to May 2009 and the period of August 2009 to May 2010 that amounted to misappropriated monies of \$1,627 in the year ended June 30, 2009 and \$2,545 in the year ended June 30, 2010.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The District was denied use of assets (cash) by the substitute teacher.

*Cause:* The District's internal controls failed to prevent timecards that were being completed, submitted, and approved for payment without the time being worked by the employee. However, in May 2010 the internal controls of the District did detect the occurrences of fraud that had occurred over period that began November 2008 and ended May 2010.

*Recommendation:* The District should reinforce the significance of internal control procedures to the employees and ascertain that the internal controls procedures are being followed by the District's personnel.

*Management's response:* The District's controls detected the fraud, a timely report was made to the State Auditor, and the offender is serving time. The District however, has further tightened its controls by implementing a twofold system for secretaries to follow prior to submitting time sheets to the Business Office. In addition, each quarter the Coordinator of Business Services will audit 10% of the substitute timesheets to verify employees are absent on the same days noted on substitute time sheets.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
Direct Program:				
Forest Reserve	10.670	11000		\$ 85,687
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	582,341	
USDA School Breakfast Program	10.553	21000	<u>285,055</u>	
Total Child Nutrition Cluster				867,396
Fresh Fruits and Vegetables	10.582	24118		22,338
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>76,642</u>
Total U.S. Department of Agriculture				<u>1,052,063</u>
<u>U.S. Department of Defense:</u>				
Pass-Through Program From:				
National Guard Military Projects	12.401	11000		\$ <u>57,178</u>

(continued)

See accompanying notes to the  
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education:</u>				
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	\$ 846,919	
Preschool IDEA-B	84.173	24109	90,614	
IDEA-B CEIS	84.027	24112	44,067	
ARRA - Entitlement IDEA-B	84.391	24206	321,650	
ARRA - Preschool IDEA-B	84.392	24209	29,586	
ARRA - IDEA-B CEIS	84.391	24212	<u>36,835</u>	
Total Special Education (IDEA) Cluster				1,369,671
 <u>Title I, Part A Cluster:</u>				
Title I	84.010	24101	889,257	
Title I - 1003g	84.389	24124	9,985	
ARRA - Title I	84.389	24201	<u>162,091</u>	
Total Title I, Part A Cluster:				1,061,333
 Education of Homeless	 84.196	 24113		 4,478
Title III - Incentive Awards	84.365	24143		3,529
Title V	84.298	24150		2,869
Title III English Language	84.365	24153		23,181
Teacher/Principal Training	84.367	24154		207,367
Title IV Drug Free Schools	84.186	24157		15,000
Reading First	84.371	24167		144,116
ARRA - McKinney Vento Homeless	84.387	24213		6,474
ARRA - State Revitalization	84.394	25250		<u>2,066,121</u>
 Total U.S. Department of Education				 <u>4,904,139</u>
 <u>U.S. Department of Health and Human Services:</u>				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		<u>229,807</u>
 Total Expenditures of Federal Awards				 <u>\$ 6,243,187</u>

See accompanying notes to the  
Schedule of Expenditures of Federal Awards.

**STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2010

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Moriarty-Edgewood School District No. 8 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2010 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2010 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 86% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$6,166,545 and all non-cash expenditures amounted to \$76,642.

Major Federal Award Program Description	Fiscal 2010 <u>Expenditure</u>
Cash assistance:	
Title I, Part A Cluster	\$ 1,061,333
USDA Child Nutrition Cluster	867,396
Special Education (IDEA) Cluster	1,369,671
State Equalization Guarantee - ARRA	<u>2,066,121</u>
Total	<u>\$ 5,364,521</u>

The School District’s federal programs Title I, Part A Cluster, USDA Child Nutrition Cluster, Special Education (IDEA) Cluster, and ARRA-State Equalization were considered high risk Type A program for the 2010 audit.

The U.S. Department of Education is the School District’s oversight agency for single audit.



STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2010

---

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2010. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2010.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**REQUIRED DISCLOSURE**

**THIS PAGE INTENTIONALLY LEFT BLANK**

STATE OF NEW MEXICO  
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

REQUIRED DISCLOSURES  
Year Ended June 30, 2010

---

**REQUIRED DISCLOSURE**

The financial statements were prepared by the independent public accountants.

An exit conference was held November 1, 2010, during which the audit findings were discussed. The exit conference was attended by the following individuals:

**MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8**

Filandro Anaya	President, Board of Education / Audit Committee
Audrey J. Jaramillo	Member, Board of Education / Audit Committee
DeeAnn Orio	Member, Audit Committee
Saul Araque	Member, Audit Committee
Karen Couch, Ed.D.	Superintendent
Cindy L. Sims, Ph.D.	Director of Personnel
Marla Lovato	Coordinator of Business Services; Member, Audit Committee
Priscilla Ortiz	Comptroller

**KEYSTONE ACCOUNTING, LLC**

Terry Ogle, CPA	Partner
-----------------	---------