

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

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2011
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

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INTRODUCTORY SECTION

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

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STATE OF NEW MEXICO
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OFFICIAL ROSTER
June 30, 2011

BOARD OF EDUCATION

Todd McCarty	President
Audrey Jaramillo	Vice President
Matthew Page	Secretary
Elizabeth Howells	Member
Albert Chavez	Member

SCHOOL OFFICIALS

Dr. Karen Couch	Superintendent
Marla Lovato	Coordinator of Business Services

AUDIT COMMITTEE

Saul Araque	Chairperson
DeeAnn Orio	Secretary
Audrey J. Jaramillo	Member
Matthew Page	Member
Dr. Karen Couch	Member
Marla Lovato	Member

FINANCE COMMITTEE

Audrey Jaramillo	Board Vice-President
Elizabeth Howells	Board Member
Dr. Karen Couch	Superintendent
Marla Lovato	Coordinator of Business Services

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FINANCIAL SECTION

FISCAL YEAR 2011

JULY 1, 2010 THROUGH JUNE 30, 2011

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KEYSTONE ACCOUNTING, LLC

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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, 2011, 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, 2011, 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, 2011, 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, 2011, 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.

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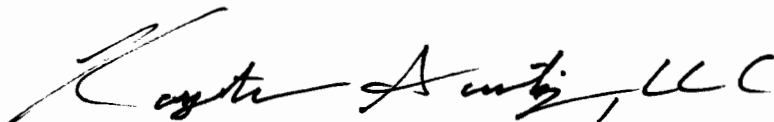
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Hector H. Balderas, State Auditor
The Board of Education and
The Audit Committee of
Moriarty-Edgewood School District No. 8

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2011, 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.



August 24, 2011

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

Introduction

This Management Discussion and Analysis of the financial operations of the Moriarty Edgewood Schools for the period ending June 30, 2011 represents the school district's eight 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 eighth 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 **A1** 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 and second phase of construction for a Performing Arts Center at Moriarty High School and 40% of the construction cost of Moriarty Middle School.
- ❖ 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 **\$1,753,427.00** in FY 10-11 in the Operational Fund, plus amount due from other funds **\$355,900.00** in the General Fund, making a small overall decrease to the cash balance in the amount of **\$174,925.00**.
- ❖ For the past seven 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 two of a three-year contract with Keystone Accounting, LLC. Based on the FY 2010-2011 audit, which is sample based, the district had one findings. July 1, 2010 a new Legislation was enacted requiring school districts to establish an Audit Committee. The MESD has an audit committee; they have worked with the audit firm during the FY 10/11 audit.

STATE OF NEW MEXICO
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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

- ❖ During the FY 10-11 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 10-11 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 FY 10-11, 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 also implemented 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 now 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, 2011, the school district has Total Net Assets of \$39,628,475. At June 30, 2010, Total Net Assets were \$40,015,993 for a decrease of \$387,518 and a restatement of prior year Net Assets of \$659,000. There is a total of \$9,841,954 of cash and cash equivalents on hand as of June 30, 2011 compared to \$14,180,458 on June 30, 2010 for a decrease of \$4,338,504 due to loss of SEG, ARRA Funding and declining enrollment by the District. Accounts Payable/Accrued Expenses are \$599,139 in FY 10-11 compared to \$831,609 for June 30, 2010 for a decrease of \$232,470 due primarily to the District's construction commitments. Net Assets totaling \$1,896,999 are "unrestricted" and available to the district for budgeting in FY 11-12. 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 \$2,474,899 from the prior year. Net Assets reflect an increase of \$3,131,084. Grant revenues increased \$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
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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

Assets	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Cash Assets	\$ 9,841,954	\$ 14,180,458
Other Current Assets	1,783,037	2,213,345
Capital Assets	<u>55,212,319</u>	<u>53,487,763</u>
Total Assets	<u>66,837,310</u>	<u>69,881,566</u>
Liabilities		
Accounts Payable and Accrued Expenses	1,112,127	1,140,796
Deferred Revenue	1,003	988
Noncurrent Liabilities	<u>26,095,705</u>	<u>26,748,727</u>
Total Liabilities	<u>27,208,835</u>	<u>27,890,511</u>
Net Assets		
Invested in Capital Assets	29,930,752	24,862,141
Restricted	7,800,724	12,392,569
Unrestricted	<u>1,896,999</u>	<u>2,761,283</u>
Total Net Assets	<u>\$ 39,628,475</u>	<u>\$ 40,015,993</u>

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, 2011. As of June 30, 2011, the total of net assets is \$39,628,475, 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.

For June 30, 2011, Net Assets-Ending totaled \$39,628,475 and at June 30, 2010, the total amount for Net Assets-Ending was \$40,015,993 for a decrease of \$387,518. 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.

STATE OF NEW MEXICO
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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Revenues		
Program Revenues:		
Charges For Services	\$ 538,320	\$ 531,606
Operating Grants	7,062,952	8,950,423
Capital Grants and Contribution	<u>341,342</u>	<u>2,003,079</u>
Total Program Revenues	<u>7,942,614</u>	<u>11,485,108</u>
General Revenues:		
Property taxes	4,697,453	6,436,079
Grants and contributions not restricted	21,462,823	21,364,384
Unrestricted Investment Earnings	<u>- 0-</u>	<u>- 0-</u>
Total General Revenues	<u>26,160,276</u>	<u>\$ 27,801,123</u>
Total Revenue	<u>34,102,890</u>	<u>39,286,231</u>
Expenses		
Instruction	17,081,868	18,120,908
Support Services Students	3,726,982	3,734,318
Support Services-Instruction	840,357	1,139,874
General Administration	932,586	873,852
School Administration	1,434,164	1,449,912
Central Services	399,761	399,969
Operation & Maintenance of Plant	5,533,161	6,585,359
Student Transportation	1,876,572	2,508,104
Other Support Services	29,422	- 0-
Food Services	1,436,174	1,398,678
Community Services	14,207	31,235
Bond Interest Paid	<u>1,182,154</u>	<u>882,732</u>
Total Expenses	<u>34,490,408</u>	<u>37,124,941</u>
Increase in Net Assets	<u>\$ (387,518)</u>	<u>\$ 2,066,733</u>

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 Exhibit D, Statement of Fiduciary Assets & Liabilities.

The Balance Sheet Governmental Funds For FY 10-11, the total assets of \$11,709,938 significantly exceed the total liabilities of \$1,874,142 with a fund balance of \$9,835,796. This is a decrease from June 30, 2010 where total assets were \$16,539,227, total liabilities were \$2,758,296 and Fund Balance was \$13,780,931.

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

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 FY10-11 were \$34,692,820 or \$3,244,538 less than the FY09-10 total revenues of \$37,937,358. The largest source of revenue is state sources with \$23,798,086 or 56% of the total. State sources decreased by \$2,196,510 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, 2011 were \$41,148,484. At June 30, 2010, total expenditures were \$43,792,632 for a decrease of \$2,644,148. The majority of the decrease in expenditures is a result of the loss of Federal Stimulus Grants. The June 30, 2011 Fund Balance was \$9,835,796 for a decrease of \$3,945,135 from \$13,780,931 at June 30, 2010.

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, the Moriarty Middle School and the Federal Stimulus Grants only being a two year award.

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.

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 2, Stewardship, Compliance and Accountability, Budgetary Information.

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

The Statement 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, 2011 revenue actual amount of \$23,525,391 was less than the final budgeted revenue of \$23,571,043 by \$45,652. The majority of the decrease in revenue was from cutbacks as required by the State. The June 30, 2011 revenue actual amount was \$617,727 lower than the June 30, 2010 revenue actual amount of \$24,143,118.

The June 30, 2011 actual expenditures of \$23,710,748 were \$1,438,993 less than the final budgeted expenditures of \$25,149,741. 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 10-11 the expenditure actual amounts were \$540,834 lower than in FY 09-10, this was a result of loss in State Equalization Funding.

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 \$50,701,193, 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 a decrease of \$811,508 or 1.60% from the year ended June 30, 2010. This decrease 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 \$83,185,902. There were additions of \$1,697,040 for the year, for an ending balance of \$84,882,942. The total of accumulated depreciation is \$36,100,990, leaving the net value of equipment to just \$48,781,952. This is an indication that it will be necessary to start budgeting funds for the replacement of aged equipment in the future.

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.

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

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, 2011 was \$29,481,495; it decreased by \$1,161,594 from year ended June 30, 2010 of \$30,643,089. The amount due within one year is \$3,220,000. 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 \$2,511,669 as shown in Exhibit B-1. 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 (Exhibit D) for the year ending June 30, 2011 shows the accumulated assets of all agency funds as \$342,912 or an increase of \$11,919 from June 30, 2010.

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 10-11 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.

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 every day 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.

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2011

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.

A Public Education Charter school has been approved for the Moriarty-Edgewood School District.

The above factors will present some challenges and opportunities 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 Finance
Moriarty Edgewood School District
P.O. Box 2000
Moriarty, New Mexico 87035

e-mail: marla.lovato@mesd.us

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BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 9,841,954
Receivables:	
Delinquent property taxes receivable	954,455
Grant	352,731
Due from other governments	145,105
Deferred bond issuance costs	270,953
Fuel inventory	7,852
USDA commodities inventory	3,530
Food inventory	48,411
Non-current:	
Non-depreciable assets	6,052,987
Depreciable capital assets, net	<u>49,159,332</u>
 Total assets	 <u>66,837,310</u>
LIABILITIES	
Accounts payable	599,139
Accrued interest	374,915
Deferred grant revenue	1,003
Compensated absences	138,073
Noncurrent liabilities:	
Due within one year	3,220,000
Due in more than one year	<u>22,875,705</u>
 Total liabilities	 <u>27,208,835</u>
NET ASSETS	
Invested in capital assets, net of related debt	29,930,752
Restricted for:	
Inventories	59,793
Special revenue funds	660,189
Capital projects	4,569,073
Debt service	2,511,669
Unrestricted	<u>1,896,999</u>
 Total net assets	 <u>\$ 39,628,475</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, 2011

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
Primary government:		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	
Governmental activities:						
Instruction	\$ 17,081,868	\$ 19,315	\$ 2,546,822	\$ 242,757	\$ (14,272,974)	
Support Services - Students	3,729,982	187,359	556,122	53,008	(2,933,493)	
Support Services - Instruction	840,357	-	125,293	11,943	(703,121)	
Support Services - General Administration	932,586	-	139,044	13,253	(780,289)	
Support Services - School Administration	1,434,164	-	213,827	20,381	(1,199,956)	
Central Services	399,761	-	59,602	-	(340,159)	
Operations & Maintenance of Plant	5,533,161	-	824,967	-	(4,708,194)	
Student Transportation	1,876,572	-	1,620,142	-	(256,430)	
Other Support Services	29,422	-	4,387	-	(25,035)	
Food Services	1,436,174	331,646	970,628	-	(133,900)	
Community Services	14,207	-	2,118	-	(12,089)	
Bond interest paid	<u>1,182,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,182,154)</u>	
 Total governmental activities	 <u>\$ 34,490,408</u>	 <u>\$ 538,320</u>	 <u>\$ 7,062,952</u>	 <u>\$ 341,342</u>	 <u>(26,547,794)</u>	
General revenues:						
Property Taxes:						
General purposes						198,155
Debt service						3,673,755
Capital projects						825,543
Grants and contributions not restricted						<u>21,462,823</u>
Total general revenues						<u>26,160,276</u>
Change in net assets						(387,518)
Net assets - beginning						<u>40,015,993</u>
Net assets - ending						<u>\$ 39,628,475</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, 2011

	General Fund	Bond Building Fund	Capital Improvements SB-9 Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash and investments	\$ 1,804,452	\$ 4,633,703	\$ 362,876	\$ 2,370,559	\$ 670,364	\$ 9,841,954
Receivables:						
Delinquent property taxes	36,422	-	173,626	744,407	-	954,455
Grant	-	-	-	-	352,731	352,731
Due from other governments	5,213	-	26,019	113,873	-	145,105
Due from other funds	355,900	-	-	-	-	355,900
Fuel inventory	7,852	-	-	-	-	7,852
USDA commodities inventory	-	-	-	-	3,530	3,530
Food inventory	-	-	-	-	48,411	48,411
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,209,839</u>	<u>\$ 4,633,703</u>	<u>\$ 562,521</u>	<u>\$ 3,228,839</u>	<u>\$ 1,075,036</u>	<u>\$ 11,709,938</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 133,316	\$ 395,681	\$ 64,139	\$ -	\$ 6,003	\$ 599,139
Due to other funds	-	-	-	-	355,900	355,900
Deferred revenue:						
Federal, state, and local grants	-	-	-	-	1,003	1,003
Delinquent property taxes	33,599	-	167,331	717,170	-	918,100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>166,915</u>	<u>395,681</u>	<u>231,470</u>	<u>717,170</u>	<u>362,906</u>	<u>1,874,142</u>
Fund balance:						
Non-spendable:						
Inventories	7,852	-	-	-	51,941	59,793
Restricted for:						
Special revenue funds	-	-	-	-	660,189	660,189
Capital projects funds	-	4,238,022	331,051	-	-	4,569,073
Debt service	-	-	-	2,511,669	-	2,511,669
Unassigned	2,035,072	-	-	-	-	2,035,072
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>2,042,924</u>	<u>4,238,022</u>	<u>331,051</u>	<u>2,511,669</u>	<u>712,130</u>	<u>9,835,796</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 2,209,839</u>	<u>\$ 4,633,703</u>	<u>\$ 562,521</u>	<u>\$ 3,228,839</u>	<u>\$ 1,075,036</u>	<u>\$ 11,709,938</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, 2011**

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

Fund balances - total governmental funds	\$	9,835,796
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		91,314,701
Accumulated depreciation		(36,102,382)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		918,100
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		(25,990,000)
Accrued interest payable		(374,915)
Accrued vacation payable		(138,073)
Bond issue costs		270,953
Bond premiums		<u>(105,705)</u>
Net assets of governmental activities	\$	<u>39,628,475</u>

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, 2011

	General	Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental	Total Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues:						
Federal sources:						
Forest reserve	\$ 73,318	\$ -	\$ -	\$ -	\$ -	\$ 73,318
Department of Defense	55,735	-	-	-	-	55,735
Federal flowthrough grants	67,823	-	-	-	2,825,024	2,892,847
Federal direct grants	-	-	-	-	1,039,923	1,039,923
Food and milk reimbursements	-	-	-	-	880,705	880,705
USDA Commodities	-	-	-	-	89,923	89,923
State sources:						
State equalization guarantee	21,326,982	-	-	-	-	21,326,982
Transportation	1,620,142	-	-	-	-	1,620,142
State instructional material	135,736	-	-	-	-	135,736
State grant	-	24,594	139,137	-	551,495	715,226
Local sources:						
Grant	-	-	-	-	2,727	2,727
District school tax levy	221,627	-	931,792	4,152,515	-	5,305,934
Fees and activities	19,315	-	-	-	519,005	538,320
Earnings from investments	-	7,528	-	986	-	8,514
Miscellaneous	<u>6,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,788</u>
 Total revenue	 <u>23,527,466</u>	 <u>32,122</u>	 <u>1,070,929</u>	 <u>4,153,501</u>	 <u>5,908,802</u>	 <u>34,692,820</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, 2011

	General <u>Fund</u>	Bond Building <u>Fund</u>	Capital Improvements SB-9 <u>Fund</u>	Debt Service <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Expenditures:						
Current:						
Instruction	\$ 13,627,746	\$ -	\$ -	\$ -	\$ 2,132,464	\$ 15,760,210
Support Services:						
Students	2,281,051	-	-	-	1,160,335	3,441,386
Instruction	551,989	-	-	-	238,935	790,924
General Administration	476,888	-	9,131	41,364	333,047	860,430
School Administration	1,253,483	-	-	-	69,717	1,323,200
Central Services	368,831	-	-	-	-	368,831
Operation & Maintenance of Plant	3,492,183	652,431	942,021	-	18,415	5,105,050
Student Transportation	1,731,378	-	-	-	-	1,731,378
Other Support Services	27,146	-	-	-	-	27,146
Food Services Operations	-	-	-	-	1,325,054	1,325,054
Community Services	-	-	-	-	13,108	13,108
Capital outlay	-	5,381,269	447,744	-	447,729	6,276,742
Debt service:						
Principal retirement	-	-	-	3,145,000	-	3,145,000
Bond interest paid	-	-	-	917,894	-	917,894
Bond issuance costs	-	62,131	-	-	-	62,131
Total expenditures	<u>23,810,695</u>	<u>6,095,831</u>	<u>1,398,896</u>	<u>4,104,258</u>	<u>5,738,804</u>	<u>41,148,484</u>
Excess (deficiency) of revenues over expenditures	<u>(283,229)</u>	<u>(6,063,709)</u>	<u>(327,967)</u>	<u>49,243</u>	<u>169,998</u>	<u>(6,455,664)</u>
Other financing sources and financing uses:						
Sale of bonds	-	2,500,000	-	-	-	2,500,000
Bond premium	-	10,529	-	-	-	10,529
Transfers in	-	59,438	-	-	-	59,438
Transfers out	-	-	-	-	(59,438)	(59,438)
Total other financing sources and financing uses	<u>-</u>	<u>2,569,967</u>	<u>-</u>	<u>-</u>	<u>(59,438)</u>	<u>2,510,529</u>
Net change in fund balance	<u>(283,229)</u>	<u>(3,493,742)</u>	<u>(327,967)</u>	<u>49,243</u>	<u>110,560</u>	<u>(3,945,135)</u>
Fund balance (deficit) at beginning of the year	2,326,153	8,411,539	659,018	2,462,426	(78,205)	13,780,931
Restatement	-	(679,775)	-	-	679,775	-
Fund balance as restated	<u>2,326,153</u>	<u>7,731,764</u>	<u>659,018</u>	<u>2,462,426</u>	<u>601,570</u>	<u>13,780,931</u>
Fund balance at end of the year	<u>\$ 2,042,924</u>	<u>\$ 4,238,022</u>	<u>\$ 331,051</u>	<u>\$ 2,511,669</u>	<u>\$ 712,130</u>	<u>\$ 9,835,796</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, 2011

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

Net change in fund balance - total governmental funds	\$ (3,945,135)
<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	6,276,742
Depreciation	(2,577,124)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p style="padding-left: 20px;">Deferred property taxes at:</p>	
June 30, 2010	(1,526,581)
June 30, 2011	918,100
<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	3,145,000
Bonds sold	(2,500,000)
Current year issuance costs	62,131
Issuance cost amortization	(44,872)
Current year bond premiums	(10,529)
Bond premium amortization	18,551
<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 style="padding-left: 20px;">Compensated absences at:</p>	
June 30, 2010	153,660
June 30, 2011	(138,073)
<p style="padding-left: 20px;">Accrued interest at:</p>	
June 30, 2010	(374,915)
June 30, 2011	<u>155,527</u>
Change in net assets of governmental activities	<u>\$ (387,518)</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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ 77,118	\$ 77,118	\$ 73,318	\$ (3,800)
Department of Defense	60,652	60,652	55,735	(4,917)
Federal grant	41,612	41,612	67,824	26,212
State sources:				
State equalization guarantee	21,934,885	21,323,503	21,326,982	3,479
Transportation	1,686,288	1,701,620	1,620,142	(81,478)
State instructional material	118,378	123,506	135,736	12,230
State grant	51,200	51,200	-	(51,200)
Local sources:				
District school tax levy	178,682	178,682	219,551	40,869
Fees and activities	9,000	9,000	19,315	10,315
Miscellaneous	<u>4,150</u>	<u>4,150</u>	<u>6,788</u>	<u>2,638</u>
Total revenues	<u>24,161,965</u>	<u>23,571,043</u>	<u>23,525,391</u>	<u>(45,652)</u>
(continued)				
Expenditures:				
Current:				
Instruction	14,520,454	14,195,813	13,574,699	621,114
Support Services:				
Students	2,612,027	2,470,630	2,281,044	189,586
Instruction	700,758	590,893	551,827	39,066
General Administration	450,614	521,384	470,267	51,117
School Administration	1,332,233	1,289,204	1,253,483	35,721
Central Services	643,228	387,540	368,363	19,177
Operation & Maintenance of Plant	3,562,373	3,772,979	3,447,097	325,882
Student Transportation	1,719,853	1,760,188	1,737,253	22,935
Other Support Services	161,110	161,110	26,715	134,395
Food Services Operations	<u>38,013</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>25,740,663</u>	<u>25,149,741</u>	<u>23,710,748</u>	<u>1,438,993</u>
Excess (deficiency) of revenues over expenditures	(1,578,698)	(1,578,698)	(185,357)	1,393,341
Beginning cash balance budgeted	1,578,698	1,578,698	-	(1,578,698)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,326,153</u>	<u>2,326,153</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,140,796</u>	<u>\$ 2,140,796</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			6,286	
Change in property tax receivable			(23,925)	
Change in due from other governments			2,528	
Change in payables			(106,233)	
Change in deferred property taxes			<u>23,472</u>	
			<u>\$ 2,042,924</u>	

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, 2011

ASSETS

Pooled cash and investments	\$ <u>342,912</u>
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LIABILITIES

Deposits held for others	\$ <u>342,912</u>
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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, 2011

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

Notes to the Financial Statements
June 30, 2011

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, 2011

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, 2011

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.

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.

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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2011

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, 2011

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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

1. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

2. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

3. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2011.

4. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2011.

5. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

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

Notes to the Financial Statements
June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

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."

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.

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, 2011

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 \$21,326,982 in state equalization guarantee distributions during the year ended June 30, 2011.

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 \$1,620,142 in transportation distributions during the year ended June 30, 2011.

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

Notes to the Financial Statements
June 30, 2011

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, 2011

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, 2011 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	\$ 25,740,663	\$ 25,149,741
Special Revenue Fund	4,133,713	6,241,955
Capital Projects Fund	8,710,521	12,758,552
Debt Service Fund	<u>6,857,078</u>	<u>6,857,078</u>
Totals	<u>\$ 45,441,975</u>	<u>\$ 51,007,326</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2011.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2011.

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

Notes to the Financial Statements
June 30, 2011

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2011, the carrying amount of the District's deposits was \$10,184,866 and the bank balance was \$11,765,502 with the difference consisting of outstanding checks. Of this balance \$9,644,943 was covered by federal depository insurance and \$2,178,219 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, 2011, none of the District's bank balance of \$11,765,502 was exposed to custodial risk as follows:

	Wells Fargo <u>Bank</u>	First Community <u>Bank</u>	<u>Total</u>
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	-	2,178,219	2,178,219
Total uninsured	-	2,178,219	2,178,219
Insured (FDIC)	9,394,943	250,000	9,644,943
Total deposits	<u>\$ 9,394,943</u>	<u>\$ 2,370,559</u>	<u>\$ 11,765,502</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ -	\$ 1,060,280	\$ 1,060,280
Pledged security	-	2,178,219	2,178,219
Under collateralization	<u>\$ -</u>	<u>\$ 1,117,939</u>	<u>\$ 1,117,939</u>

The collateral pledged is listed on Page 129 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, 2011

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 covered by the FDIC are insured for 100% of non-interest earnings accounts. The District's deposits with Wells Fargo Bank qualified for this coverage.

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>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>
Receivables:					
Delinquent property taxes	\$ 36,422	\$ -	\$ 173,626	\$ 744,407	\$ -
Grant	-	-	-	-	352,731
Due from other:					
Governments	<u>5,213</u>	<u>-</u>	<u>26,019</u>	<u>113,873</u>	<u>-</u>
Total	<u>\$ 41,635</u>	<u>\$ -</u>	<u>\$ 199,645</u>	<u>\$ 858,280</u>	<u>\$ 352,731</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	\$ -	\$ 1,003
Delinquent property taxes		
General Fund	33,599	-
Capital Improvements SB - 9	167,331	-
Debt Service Fund	<u>717,170</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 918,100</u>	<u>\$ 1,003</u>

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

Notes to the Financial Statements
June 30, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,427,529	\$ -	\$ -	\$ 1,427,529
Water rights	424,528	-	-	424,528
Construction in progress	-	4,200,930	-	4,200,930
Total capital assets, not being depreciated	<u>1,852,057</u>	<u>4,200,930</u>	<u>-</u>	<u>6,052,987</u>
Capital assets, being depreciated:				
Land improvements	2,389,157	130,396	-	2,519,553
Buildings and improvements	71,583,503	1,507,998	-	73,091,501
Furniture, fixtures, and equipment	7,410,644	437,418	-	7,848,062
Library books	1,802,598	-	-	1,802,598
Total capital assets being depreciated	<u>83,185,902</u>	<u>2,075,812</u>	<u>-</u>	<u>85,261,714</u>
Less accumulated depreciation for:				
Land improvements	(583,887)	(120,774)	-	(704,661)
Buildings and improvements	(27,699,373)	(1,696,260)	-	(29,395,633)
Furniture, fixtures, and equipment	(3,585,453)	(614,037)	-	(4,199,490)
Library books	(1,656,545)	(146,053)	-	(1,802,598)
Total accumulated depreciation	<u>(33,525,258)</u>	<u>(2,577,124)</u>	<u>-</u>	<u>(36,102,382)</u>
Total capital assets being depreciated, net	<u>49,660,644</u>	<u>(501,312)</u>	<u>-</u>	<u>49,159,332</u>
Total capital assets, net	<u>\$ 51,512,701</u>	<u>\$ 3,699,618</u>	<u>\$ -</u>	<u>\$ 55,212,319</u>

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

Notes to the Financial Statements
June 30, 2011

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	\$ 1,321,658
Support Services - Students	288,596
Support Services - Instruction	65,020
Support Services - General Administration	72,156
Support Services - School Administration	110,964
Central Services	30,930
Operations & Maintenance of Plant	428,111
Student Transportation	145,194
Other Support Services	2,276
Food Services	111,120
Community Services	1,099
Total Depreciation Expense	<u>\$ 2,577,124</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 \$4,569,073 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, 2011 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 355,900	\$ -
Other Governmental Funds	<u>-</u>	<u>355,900</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 355,900</u>	<u>\$ 355,900</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, 2011

III. DETAILED NOTES ON ALL FUNDS (continued)

E. Inter-Fund Transfers

There was one inter-fund transfer made during the year ended June 30, 2011 from Bond Building Capital Projects Fund to Special Capital Outlay – State Capital Projects Fund in the amount of \$59,438 in order to cover construction expenditures for which projected funding was not received.

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, 2011 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2011</u>	<u>Amount Due Within One Year</u>
Series	1998	\$ 2,850,000	4.125% to 4.150%	\$ -	\$ -
Series	2001	3,000,000	4.75% to 5.00%	1,825,000	270,000
Series	2002	3,000,000	3.40% to 5.40%	1,925,000	260,000
Series	2002B	1,000,000	3.50% to 5.25%	320,000	105,000
Series	2003	2,000,000	2.50% to 3.00%	1,395,000	330,000
Series	2004	1,500,000	2.55% to 3.80%	920,000	120,000
Series	2004B	1,700,000	3.25% to 3.90%	1,700,000	250,000
Series	2005	1,500,000	3.40% to 3.50%	1,005,000	185,000
Series	2006	1,300,000	3.60% to 4.00%	1,100,000	200,000
Series	2008	7,500,000	3.00% to 3.25%	5,750,000	1,150,000
Series	2009	4,000,000	3.90% to 5.00%	3,550,000	250,000
Series	2010	4,000,000	2.50% to 3.00%	4,000,000	-
Series	2011	2,500,000	2.50% to 2.70%	2,500,000	100,000
Total		\$ 35,850,000		\$ 25,990,000	\$ 3,220,000

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, 2011

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			Total
<u>June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2012	\$ 3,220,000	\$ 869,570	\$ 4,089,570
2013	3,335,000	751,684	4,086,684
2014	3,270,000	630,361	3,900,361
2015	3,670,000	513,994	4,183,994
2016	4,470,000	383,461	4,853,461
2017 - 2021	<u>8,025,000</u>	<u>342,425</u>	<u>8,367,425</u>
Total	<u>\$ 25,990,000</u>	<u>\$ 3,491,495</u>	<u>\$ 29,481,495</u>

Changes in long term debt – During the year ended June 30, 2011 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning</u>			<u>Ending</u>	<u>Amount Due</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 153,660	\$ 124,910	\$ 140,497	\$ 138,073	\$ 138,073
Bonds payable	<u>26,635,000</u>	<u>2,500,000</u>	<u>3,145,000</u>	<u>25,990,000</u>	<u>3,220,000</u>
	<u>\$ 26,788,660</u>	<u>\$ 2,624,910</u>	<u>\$ 3,285,497</u>	<u>\$ 26,128,073</u>	<u>\$ 3,358,073</u>

	<u>Balance</u>
	<u>June 30, 2011</u>
Bonds payable	\$ 25,990,000
Less: current maturities	(3,220,000)
Unamortized:	
Bond premiums	<u>105,705</u>
Total non-current liabilities	<u>\$ 22,875,705</u>

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, 2011

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 (NMSA 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, 2011.

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, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes 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

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

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to the ERB for the years ended June 30, 2011, 2010 and 2009 were \$1,988,544, \$2,122,395, and \$2,269,648, respectively, equal to the amount of the required contribution for the year.

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.

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

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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, 2011, 2010, and 2009 were \$295,081, \$245,308, and \$250,262, respectively, which equal the required contributions for each year.

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

Notes to the Financial Statements
June 30, 2011

IV. OTHER INFORMATION (continued)

E. Restatement

The restatement of \$679,775 between Bond Building Capital Projects and Special Capital Outlay – State Capital Projects was due to an incorrect account coding of expenditures that were accrued and reported in the prior year. An open purchase order allowed the expenditure to be coded into the wrong fund and was corrected later in the year.

F. Cash Flows

The District federal and state grants operate on a reimbursement basis. 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. This could affect the District's financial operations in subsequent years.

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

GENERAL FUNDS
Year Ended June 30, 2011

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, 2011

	General Funds			Total General Funds
	Operational Fund	Transportation Fund	Instructional Materials Fund	
ASSETS				
Pooled cash and investments	\$ 1,753,427	\$ 41	\$ 50,984	\$ 1,804,452
Receivables:				
Delinquent property taxes	36,422	-	-	36,422
Due from other governments	5,213	-	-	5,213
Due from other funds	355,900	-	-	355,900
Fuel inventory	<u>-</u>	<u>7,852</u>	<u>-</u>	<u>7,852</u>
 Total assets	 <u>\$ 2,150,962</u>	 <u>\$ 7,893</u>	 <u>\$ 50,984</u>	 <u>\$ 2,209,839</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 126,594	\$ 412	\$ 6,310	\$ 133,316
Deferred revenue:				
Delinquent property taxes	<u>33,599</u>	<u>-</u>	<u>-</u>	<u>33,599</u>
 Total liabilities	 <u>160,193</u>	 <u>412</u>	 <u>6,310</u>	 <u>166,915</u>
 Fund balance:				
Non-spendable:				
Inventories	-	7,852	-	7,852
Unassigned	<u>1,990,769</u>	<u>(371)</u>	<u>44,674</u>	<u>2,035,072</u>
 Total fund balance	 <u>1,990,769</u>	 <u>7,481</u>	 <u>44,674</u>	 <u>2,042,924</u>
 Total liabilities and fund balance	 <u>\$ 2,150,962</u>	 <u>\$ 7,893</u>	 <u>\$ 50,984</u>	 <u>\$ 2,209,839</u>

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, 2011

	General Funds			
	Operational	Transportation	Instructional Materials	Total General
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Revenues:				
Federal sources:				
Forest reserve	\$ 73,318	\$ -	\$ -	\$ 73,318
Department of Defense	55,735	-	-	55,735
Federal flowthrough grants	67,823	-	-	67,823
State sources:				
State equalization guarantee	21,326,982	-	-	21,326,982
Transportation	-	1,620,142	-	1,620,142
State instructional material	-	-	135,736	135,736
Local sources:				
District school tax levy	221,627	-	-	221,627
Fees and activities	19,315	-	-	19,315
Miscellaneous	<u>6,788</u>	<u>-</u>	<u>-</u>	<u>6,788</u>
Total revenue	<u>21,771,588</u>	<u>1,620,142</u>	<u>135,736</u>	<u>23,527,466</u>
 (continued)				
Expenditures:				
Current:				
Instruction	13,493,674	-	134,072	13,627,746
Support Services:				
Students	2,281,051	-	-	2,281,051
Instruction	551,989	-	-	551,989
General Administration	476,888	-	-	476,888
School Administration	1,253,483	-	-	1,253,483
Central Services	368,831	-	-	368,831
Operation & Maintenance of Plant	3,492,183	-	-	3,492,183
Student Transportation	35,673	1,695,705	-	1,731,378
Other Support Services	<u>27,146</u>	<u>-</u>	<u>-</u>	<u>27,146</u>
Total expenditures	<u>21,980,918</u>	<u>1,695,705</u>	<u>134,072</u>	<u>23,810,695</u>
Excess (deficiency) of revenues over expenditures	(209,330)	(75,563)	1,664	(283,229)
Fund balance at beginning of the year	<u>2,200,099</u>	<u>83,044</u>	<u>43,010</u>	<u>2,326,153</u>
Fund balance at end of the year	<u>\$ 1,990,769</u>	<u>\$ 7,481</u>	<u>\$ 44,674</u>	<u>\$ 2,042,924</u>

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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ 77,118	\$ 77,118	\$ 73,318	\$ (3,800)
Department of Defense	60,652	60,652	55,735	(4,917)
Federal grant	41,612	41,612	67,824	26,212
State sources:				
State equalization guarantee	21,934,885	21,323,503	21,326,982	3,479
State grant	51,200	51,200	-	(51,200)
Local sources:				
District school tax levy	178,682	178,682	219,551	40,869
Fees and activities	9,000	9,000	19,315	10,315
Miscellaneous	4,150	4,150	6,788	2,638
Total revenues	22,357,299	21,745,917	21,769,513	23,596
Expenditures:				
Current:				
Instruction	14,348,319	14,018,550	13,446,937	571,613
Support Services:				
Students	2,612,027	2,470,630	2,281,044	189,586
Instruction	700,758	590,893	551,827	39,066
General Administration	450,614	521,384	470,267	51,117
School Administration	1,332,233	1,289,204	1,253,483	35,721
Central Services	643,228	387,540	368,363	19,177
Operation & Maintenance of Plant	3,562,373	3,772,979	3,447,097	325,882
Student Transportation	33,565	58,568	35,674	22,894
Other Support Services	161,110	161,110	26,715	134,395
Food Services Operations	38,013	-	-	-
Total expenditures	23,882,240	23,270,858	21,881,407	1,389,451
Excess (deficiency) of revenues over expenditures	(1,524,941)	(1,524,941)	(111,894)	1,413,047
Beginning cash balance budgeted	1,524,941	1,524,941	-	(1,524,941)
Fund balance at beginning of the year	-	-	2,200,099	2,200,099
Fund balance at end of the year	\$ -	\$ -	2,088,205	\$ 2,088,205
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(23,925)	
Change in due from other governments			2,528	
Change in payables			(99,511)	
Change in deferred property taxes			23,472	
			\$ 1,990,769	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 1,686,288	\$ 1,701,620	\$ 1,620,142	\$ (81,478)
Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>1,686,288</u>	<u>1,701,620</u>	<u>1,701,579</u>	<u>41</u>
Excess (deficiency) of revenues over expenditures	-	-	(81,437)	(81,437)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>83,044</u>	<u>83,044</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,607	<u>\$ 1,607</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			6,286	
Change in payables			<u>(412)</u>	
			<u>\$ 7,481</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 118,378	\$ 123,506	\$ 135,736	\$ 12,230
Expenditures:				
Current:				
Instruction	<u>172,135</u>	<u>177,263</u>	<u>127,762</u>	<u>49,501</u>
Excess (deficiency) of revenues over expenditures	(53,757)	(53,757)	7,974	61,731
Beginning cash balance budgeted	53,757	53,757	-	(53,757)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>43,010</u>	<u>43,010</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>50,984</u>	<u>\$ 50,984</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(6,310)</u>	
			<u>\$ 44,674</u>	

NONMAJOR GOVERNMENTAL FUNDS

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds							
	Food Service Fund	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund	Discretionary IDEA-B Fund	Preschool IDEA-B Fund	IDEA-B CEIS Fund	Education of Homeless Fund
ASSETS								
Pooled cash and investments	\$ 295,206	\$ 193,145	\$ 192	\$ 2,385	\$ 11	\$ 902	\$ 633	\$ 97
Receivables:								
Grant	-	-	105,508	109,148	-	5,098	3,367	103
USDA commodities inventory	3,530	-	-	-	-	-	-	-
Food inventory	<u>48,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 347,147</u>	<u>\$ 193,145</u>	<u>\$ 105,700</u>	<u>\$ 111,533</u>	<u>\$ 11</u>	<u>\$ 6,000</u>	<u>\$ 4,000</u>	<u>\$ 200</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 443	\$ 1,775	\$ 700	\$ 533	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	105,000	111,000	-	6,000	4,000	200
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	11	-	-	-
Total liabilities	<u>443</u>	<u>1,775</u>	<u>105,700</u>	<u>111,533</u>	<u>11</u>	<u>6,000</u>	<u>4,000</u>	<u>200</u>
Fund balance:								
Non-spendable:								
Inventories	51,941	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	294,763	191,370	-	-	-	-	-	-
Total fund balance	<u>346,704</u>	<u>191,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 347,147</u>	<u>\$ 193,145</u>	<u>\$ 105,700</u>	<u>\$ 111,533</u>	<u>\$ 11</u>	<u>\$ 6,000</u>	<u>\$ 4,000</u>	<u>\$ 200</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds							
	Fresh Fruits and Vegetables Fund	Title I - 1003g Fund	Comprehensive School Reform Fund	Title III - Incentive Awards Fund	Title V Fund	Title III English Language Fund	Teacher/Principal Training Fund	Title IV Drug Free Schools Fund
ASSETS								
Pooled cash and investments	\$ 82	\$ -	\$ 87	\$ -	\$ 71	\$ 668	\$ 565	\$ 779
Receivables:								
Grant	918	-	-	-	-	7,332	17,193	-
USDA commodities inventory	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 8,000</u>	<u>\$ 17,758</u>	<u>\$ 779</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,758	\$ -
Due to other funds	1,000	-	-	-	-	8,000	16,000	-
Deferred revenue:								
Federal, state, and local grants	-	-	87	-	71	-	-	779
Total liabilities	<u>1,000</u>	<u>-</u>	<u>87</u>	<u>-</u>	<u>71</u>	<u>8,000</u>	<u>17,758</u>	<u>779</u>
Fund balance:								
Non-spendable:								
Inventories	-	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ -</u>	<u>\$ 71</u>	<u>\$ 8,000</u>	<u>\$ 17,758</u>	<u>\$ 779</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds							
	Title I School Improvement Fund	Title III Immigrant Funding Fund	Reading First Fund	ARRA - Title I Fund	ARRA - Entitlement IDEA-B Fund	ARRA - Preschool IDEA-B Fund	ARRA - IDEA-B CEIS Fund	ARRA - McKinney Vento Homeless Fund
ASSETS								
Pooled cash and investments	\$ 3	\$ 52	\$ -	\$ 313	\$ 230	\$ 93	\$ -	\$ -
Receivables:								
Grant	-	-	-	31,687	71,770	607	-	-
USDA commodities inventory	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 3</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 32,000</u>	<u>\$ 72,000</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	32,000	72,000	700	-	-
Deferred revenue:								
Federal, state, and local grants	3	52	-	-	-	-	-	-
Total liabilities	<u>3</u>	<u>52</u>	<u>-</u>	<u>32,000</u>	<u>72,000</u>	<u>700</u>	<u>-</u>	<u>-</u>
Fund balance:								
Non-spendable:								
Inventories	-	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 3</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 32,000</u>	<u>\$ 72,000</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	<u>Special Revenue Funds</u>							
	Title XIX Medicaid Fund	ARRA - State Revitalization Fund	Education Jobs Fund	LANL Foundation Fund	Wallace Foundation Fund	Dual Credit Instructional Materials Fund	GO Bond Library Fund	Solar Energy Fund
ASSETS								
Pooled cash and investments	\$ 128,900	\$ 1	\$ -	\$ 3,699	\$ 227	\$ -	\$ -	\$ -
Receivables:								
Grant	-	-	-	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 128,900</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,699</u>	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	-	-	-	-
Total liabilities	<u>794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:								
Non-spendable:								
Inventories	-	-	-	-	-	-	-	-
Restricted for:								
Special revenue funds	128,106	1	-	3,699	227	-	-	-
Total fund balance	<u>128,106</u>	<u>1</u>	<u>-</u>	<u>3,699</u>	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 128,900</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,699</u>	<u>\$ 227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	<u>Special Revenue Funds</u>							
	Technology for Education Fund	Incentives for School Improvement Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	SINOI Fund	Library Books Fund	Dairy Max Fund	Total Non-Major Special Revenue Funds
ASSETS								
Pooled cash and investments	\$ 13,305	\$ 388	\$ 3,919	\$ 20,195	\$ -	\$ 292	\$ 3,924	\$ 670,364
Receivables:								
Grant	-	-	-	-	-	-	-	352,731
USDA commodities inventory	-	-	-	-	-	-	-	3,530
Food inventory	-	-	-	-	-	-	-	48,411
Total assets	<u>\$ 13,305</u>	<u>\$ 388</u>	<u>\$ 3,919</u>	<u>\$ 20,195</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ 3,924</u>	<u>\$ 1,075,036</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,003
Due to other funds	-	-	-	-	-	-	-	355,900
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	-	-	-	1,003
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,906</u>
Fund balance:								
Non-spendable:								
Inventories	-	-	-	-	-	-	-	51,941
Restricted for:								
Special revenue funds	13,305	388	3,919	20,195	-	292	3,924	660,189
Total fund balance	<u>13,305</u>	<u>388</u>	<u>3,919</u>	<u>20,195</u>	<u>-</u>	<u>292</u>	<u>3,924</u>	<u>712,130</u>
Total liabilities and fund balance	<u>\$ 13,305</u>	<u>\$ 388</u>	<u>\$ 3,919</u>	<u>\$ 20,195</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ 3,924</u>	<u>\$ 1,075,036</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2011

	Capital Projects Funds				
	Special Capital Outlay - Local Fund	Special Capital Outlay - State Fund	Public School Capital Outlay - 20% Fund	Total Non-Major Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 670,364
Receivables:					
Grant	-	-	-	-	352,731
USDA commodities inventory	-	-	-	-	3,530
Food inventory	-	-	-	-	48,411
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,411</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,036</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 6,003
Due to other funds	-	-	-	-	355,900
Deferred revenue:					
Federal, state, and local grants	-	-	-	-	1,003
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,906</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	51,941
Restricted for:					
Special revenue funds	-	-	-	-	660,189
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>712,130</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>712,130</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075,036</u>

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, 2011

	<u>Special Revenue Funds</u>				
	Food Service Fund	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund	Discretionary IDEA-B Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 770,404	\$ 956,243	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	880,705	-	-	-	-
USDA Commodities	89,923	-	-	-	-
State sources:					
State grant	61,592	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	<u>331,646</u>	<u>187,359</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,363,866</u>	<u>187,359</u>	<u>770,404</u>	<u>956,243</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	194,573	574,885	210,203	-
Support Services:					
Students	-	-	30,481	491,158	-
Instruction	-	-	90,582	-	-
General Administration	-	-	74,456	172,057	-
School Administration	-	-	-	69,717	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	1,265,692	-	-	-	-
Community Services	-	-	-	13,108	-
Capital outlay	<u>5,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,271,160</u>	<u>194,573</u>	<u>770,404</u>	<u>956,243</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	92,706	(7,214)	-	-	-
Other financing uses:					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>92,706</u>	<u>(7,214)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) as previously reported	253,998	198,584	-	-	-
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) as restated	<u>253,998</u>	<u>198,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 346,704</u>	<u>\$ 191,370</u>	<u>\$ -</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, 2011

	Special Revenue Funds				
	Preschool IDEA-B Fund	IDEA-B CEIS Fund	Education of Homeless Fund	Fresh Fruits and Vegetables Fund	Title I - 1003g Fund
	Fund	Fund	Fund	Fund	Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 44,413	\$ 14,496	\$ 5,128	\$ 39,236	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	44,413	14,496	5,128	39,236	-
Expenditures:					
Current:					
Instruction	845	-	-	-	-
Support Services:					
Students	22,888	14,140	5,128	-	-
Instruction	-	-	-	-	-
General Administration	20,680	356	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	39,236	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	44,413	14,496	5,128	39,236	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
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, 2011

	<u>Special Revenue Funds</u>				
	Comprehensive School Reform Fund	Title III - Incentive Awards Fund	Title V Fund	Title III English Language Fund	Teacher/Principal Training Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 16,715	\$ 157,848
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	-	-	-	16,715	157,848
Expenditures:					
Current:					
Instruction	-	-	-	16,411	85,792
Support Services:					
Students	-	-	-	-	998
Instruction	-	-	-	-	33,699
General Administration	-	-	-	304	37,359
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	16,715	157,848
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
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, 2011

	Special Revenue Funds				
	Title IV Drug Free Schools Fund	Title I School Improvement Fund	Title III Immigrant Funding Fund	Reading First Fund	ARRA - Title I Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 4,303	\$ -	\$ -	\$ -	\$ 245,317
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>4,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,317</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	62,989
Support Services:					
Students	4,303	-	-	-	61,644
Instruction	-	-	-	-	114,654
General Administration	-	-	-	-	6,030
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>4,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,317</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	<u>-</u>	<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>

(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, 2011

	Special Revenue Funds				
	ARRA - Entitlement IDEA-B Fund	ARRA - Preschool IDEA-B Fund	ARRA - IDEA-B CEIS Fund	McKinney Vento Homeless Fund	Title XIX Medicaid Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 496,270	\$ 4,299	\$ 64,879	\$ 5,473	\$ -
Federal direct grants	-	-	-	-	197,757
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	496,270	4,299	64,879	5,473	197,757
Expenditures:					
Current:					
Instruction	140,536	-	-	-	-
Support Services:					
Students	314,872	4,193	63,284	5,473	136,942
Instruction	-	-	-	-	-
General Administration	20,104	106	1,595	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	759
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	20,758	-	-	-	-
Total expenditures	496,270	4,299	64,879	5,473	137,701
Excess (deficiency) of revenues over expenditures	-	-	-	-	60,056
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	-	-	60,056
Fund balance (deficit) at beginning of the year	-	-	-	-	68,050
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	68,050
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ 128,106

(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, 2011

	Special Revenue Funds				
	ARRA - State Revitalization Fund	Education Jobs Fund	LANL Foundation Fund	Wallace Foundation Fund	Dual Credit Instructional Materials Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	227,962	614,204	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	677
Local sources:					
Grant	-	-	-	227	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>227,962</u>	<u>614,204</u>	<u>-</u>	<u>227</u>	<u>677</u>
Expenditures:					
Current:					
Instruction	231,349	614,204	-	-	677
Support Services:					
Students	-	-	4,831	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>231,349</u>	<u>614,204</u>	<u>4,831</u>	<u>-</u>	<u>677</u>
Excess (deficiency) of revenues over expenditures	(3,387)	-	(4,831)	227	-
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	<u>(3,387)</u>	<u>-</u>	<u>(4,831)</u>	<u>227</u>	<u>-</u>
Fund balance (deficit) at beginning of the year	3,388	-	8,530	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	<u>3,388</u>	<u>-</u>	<u>8,530</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,699</u>	<u>\$ 227</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, 2011

	Special Revenue Funds				
	GO Bond Library Fund	Solar Energy Fund	Technology for Education Fund	Incentives for School Improvement Fund	Beginning Teacher Mentoring Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	300,000	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	-	300,000	-	-	-
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	300,000	-	-	-
Total expenditures	-	300,000	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	13,305	388	3,919
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	13,305	388	3,919
Fund balance at end of the year	\$ -	\$ -	\$ 13,305	\$ 388	\$ 3,919

(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, 2011

	<u>Special Revenue Funds</u>				Total Nonmajor Special Revenue Funds
	Breakfast for Elementary Students	SINOI	Library Books	Dairy Max	
	Fund	Fund	Fund	Fund	
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 2,825,024
Federal direct grants	-	-	-	-	1,039,923
Food and milk reimbursements	-	-	-	-	880,705
USDA Commodities	-	-	-	-	89,923
State sources:					
State grant	19,143	-	-	-	381,412
Local sources:					
Grant	-	-	-	2,500	2,727
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	519,005
Total revenue	<u>19,143</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>5,738,719</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	2,132,464
Support Services:					
Students	-	-	-	-	1,160,335
Instruction	-	-	-	-	238,935
General Administration	-	-	-	-	333,047
School Administration	-	-	-	-	69,717
Operation & Maintenance of Plant	-	-	-	-	759
Food Services Operations	18,396	-	-	1,730	1,325,054
Community Services	-	-	-	-	13,108
Capital outlay	-	-	-	-	326,226
Total expenditures	<u>18,396</u>	<u>-</u>	<u>-</u>	<u>1,730</u>	<u>5,599,645</u>
Excess (deficiency) of revenues over expenditures	747	-	-	770	139,074
Other financing sources:					
Transfers out	-	-	-	-	-
Net change in fund balance	<u>747</u>	<u>-</u>	<u>-</u>	<u>770</u>	<u>139,074</u>
Fund balance (deficit) at beginning of the year	19,448	-	292	3,154	573,056
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	<u>19,448</u>	<u>-</u>	<u>292</u>	<u>3,154</u>	<u>573,056</u>
Fund balance at end of the year	<u>\$ 20,195</u>	<u>\$ -</u>	<u>\$ 292</u>	<u>\$ 3,924</u>	<u>\$ 712,130</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, 2011

	Capital Projects Funds				
	Special Capital Outlay - Local <u>Fund</u>	Special Capital Outlay - State <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 2,825,024
Federal direct grants	-	-	-	-	1,039,923
Food and milk reimbursements	-	-	-	-	880,705
USDA Commodities	-	-	-	-	89,923
State sources:					
State grant	-	170,083	-	170,083	551,495
Local sources:					
Grant	-	-	-	-	2,727
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	519,005
Total revenue	<u>-</u>	<u>170,083</u>	<u>-</u>	<u>170,083</u>	<u>5,908,802</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	2,132,464
Support Services:					
Students	-	-	-	-	1,160,335
Instruction	-	-	-	-	238,935
General Administration	-	-	-	-	333,047
School Administration	-	-	-	-	69,717
Operation & Maintenance of Plant	-	-	17,656	17,656	18,415
Food Services Operations	-	-	-	-	1,325,054
Community Services	-	-	-	-	13,108
Capital outlay	<u>121,503</u>	<u>-</u>	<u>-</u>	<u>121,503</u>	<u>447,729</u>
Total expenditures	<u>121,503</u>	<u>-</u>	<u>17,656</u>	<u>139,159</u>	<u>5,738,804</u>
Excess (deficiency) of revenues over expenditures	(121,503)	170,083	(17,656)	30,924	169,998
Other financing sources:					
Transfers out	-	(59,438)	-	(59,438)	(59,438)
Net change in fund balance	<u>(121,503)</u>	<u>110,645</u>	<u>(17,656)</u>	<u>(28,514)</u>	<u>110,560</u>
Fund balance (deficit) at beginning of the year	121,503	(790,420)	17,656	(651,261)	(78,205)
Restatement	-	679,775	-	679,775	679,775
Fund balance (deficit) as restated	<u>121,503</u>	<u>(110,645)</u>	<u>17,656</u>	<u>28,514</u>	<u>601,570</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 712,130</u>

BUDGETARY PRESENTATION

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

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.

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

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.

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.

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

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.

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 2011 (ARRA), Public Law 111-5.

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

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 2011 (ARRA), Public Law 111-5.

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 2010 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 2010 (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 2010 (ARRA), Division A, Title XIV, Public Law 111-5.

EDUCATION JOBS

To provide funds to States to assist local educational agencies (LEAs) in saving or creating education jobs for school year 2010-2011. Authorization: Title I, Public Law 111-126.

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

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.

DUAL CREDIT INSTRUCTIONAL MATERIALS

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

GO BOND LIBRARY

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 2009 SB333

SOLAR ENERGY

To purchase and install 100 kilowatt photovoltaic (PV) solar energy systems to support clean energy education in New Mexico's public schools and demonstrate the benefits of commercial-scale PV to communities throughout New Mexico.

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.

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2011

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.

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 862,173	\$ 1,077,204	\$ 880,705	\$ (196,499)
USDA Commodities	67,687	67,687	88,198	20,511
State sources:				
State grant	-	-	61,592	61,592
Local sources:				
Fees and activities	<u>325,890</u>	<u>325,890</u>	<u>331,646</u>	<u>5,756</u>
Total revenues	<u>1,255,750</u>	<u>1,470,781</u>	<u>1,362,141</u>	<u>(108,640)</u>
Expenditures:				
Current:				
Food Services Operations	1,255,750	1,460,781	1,276,498	184,283
Capital outlay:				
Equipment	<u>-</u>	<u>10,000</u>	<u>5,468</u>	<u>4,532</u>
Total expenditures	<u>1,255,750</u>	<u>1,470,781</u>	<u>1,281,966</u>	<u>188,815</u>
Excess of revenues over expenditures	-	-	80,175	80,175
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>253,998</u>	<u>253,998</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>334,173</u>	<u>\$ 334,173</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			12,169	
Change in payables			<u>362</u>	
			<u>\$ 346,704</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 104,683	\$ 104,683	\$ 187,359	\$ 82,676
 Expenditures:				
Current:				
Instruction	<u>239,227</u>	<u>303,266</u>	<u>192,798</u>	<u>110,468</u>
Excess (deficiency) of revenues over expenditures	(134,544)	(198,583)	(5,439)	193,144
Beginning cash balance budgeted	134,544	198,583	-	(198,583)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>198,584</u>	<u>198,584</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	193,145	<u>\$ 193,145</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(1,775)</u>	
			<u>\$ 191,370</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, 2011

	<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	\$ 732,863	\$ 813,413	\$ 709,827	\$ (103,586)
Expenditures:				
Current:				
Instruction	593,245	593,245	574,885	18,360
Support Services:				
Students	43,487	44,106	29,781	14,325
Instruction	10,745	90,776	90,582	194
General Administration	<u>85,386</u>	<u>85,286</u>	<u>74,456</u>	<u>10,830</u>
Total expenditures	<u>732,863</u>	<u>813,413</u>	<u>769,704</u>	<u>43,709</u>
Excess (deficiency) of revenues over expenditures	-	-	(59,877)	(59,877)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(59,877)	<u>\$ (59,877)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			60,577	
Change in payables			<u>(700)</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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal grant	\$ 938,958	\$ 1,043,371	\$ 882,305	\$ (161,066)
Expenditures:				
Current:				
Instruction	243,239	248,239	209,937	38,302
Support Services:				
Students	427,530	526,851	491,008	35,843
General Administration	171,154	172,483	172,057	426
School Administration	82,485	75,248	69,717	5,531
Community Services Operations	<u>14,550</u>	<u>20,550</u>	<u>13,108</u>	<u>7,442</u>
Total expenditures	<u>938,958</u>	<u>1,043,371</u>	<u>955,827</u>	<u>87,544</u>
Excess (deficiency) of revenues over expenditures	-	-	(73,522)	(73,522)
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>	(73,522)	<u>\$ (73,522)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			73,938	
Change in payables			<u>(416)</u>	
			<u>\$ -</u>	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
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

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 45,599	\$ 51,912	\$ 40,818	\$ (11,094)
Expenditures:				
Current:				
Instruction	1,000	1,000	845	155
Support Services:				
Students	22,988	29,301	22,970	6,331
General Administration	<u>21,611</u>	<u>21,611</u>	<u>20,680</u>	<u>931</u>
Total expenditures	<u>45,599</u>	<u>51,912</u>	<u>44,495</u>	<u>7,417</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,677)	(3,677)
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>	(3,677)	<u>\$ (3,677)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,595	
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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 15,100	\$ 15,100	\$ 11,327	\$ (3,773)
Expenditures:				
Current:				
Support Services:				
Students	14,719	14,719	14,140	579
General Administration	<u>381</u>	<u>381</u>	<u>356</u>	<u>25</u>
Total expenditures	<u>15,100</u>	<u>15,100</u>	<u>14,496</u>	<u>604</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,169)	(3,169)
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>(3,169)</u>	<u>\$ (3,169)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>3,169</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 8,000	\$ 22,954	\$ 5,024	\$ (17,930)
 Expenditures:				
Current:				
Support Services:				
Students	<u>8,000</u>	<u>22,954</u>	<u>5,127</u>	<u>17,827</u>
Excess (deficiency) of revenues over expenditures	-	-	(103)	(103)
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>(103)</u>	<u>\$ (103)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>103</u>	
			<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, 2011

	<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	\$ -	\$ 42,650	\$ 42,001	\$ (649)
 Expenditures:				
Current:				
Food Services Operations	-	42,650	39,236	3,414
Excess of revenues over expenditures	-	-	2,765	2,765
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,765	<u>\$ 2,765</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(2,765)</u>	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 5,135	\$ 5,135
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	5,135	5,135
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	5,135	<u>\$ 5,135</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(5,135)	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 3,529	\$ 3,529
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess 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>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,529)	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
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 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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 15,281	\$ 19,138	\$ 12,475	\$ (6,663)
Expenditures:				
Current:				
Instruction	14,977	18,834	16,411	2,423
Support Services:				
General Administration	<u>304</u>	<u>304</u>	<u>304</u>	<u>-</u>
Total expenditures	<u>15,281</u>	<u>19,138</u>	<u>16,715</u>	<u>2,423</u>
Excess (deficiency) of revenues over expenditures	-	-	(4,240)	(4,240)
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>	(4,240)	<u>\$ (4,240)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>4,240</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 188,319	\$ 219,759	\$ 182,136	\$ (37,623)
Expenditures:				
Current:				
Instruction	71,892	132,332	90,342	41,990
Support Services:				
Students	-	1,125	997	128
Instruction	78,145	40,921	33,699	7,222
General Administration	<u>38,282</u>	<u>45,381</u>	<u>35,630</u>	<u>9,751</u>
Total expenditures	<u>188,319</u>	<u>219,759</u>	<u>160,668</u>	<u>59,091</u>
Excess of revenues over expenditures	-	-	21,468	21,468
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	21,468	<u>\$ 21,468</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(24,289)	
Change in payables			<u>2,821</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 4,303	\$ 4,310	\$ 4,315	\$ 5
 Expenditures:				
Current:				
Support Services:				
Students	<u>4,303</u>	<u>4,310</u>	<u>4,303</u>	<u>7</u>
Excess 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, 2011

	<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	\$ -	\$ -	\$ 18,621	\$ 18,621
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	18,621	18,621
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	18,621	<u>\$ 18,621</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(18,618)	
Change in deferred revenue			<u>(3)</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 24,808	\$ 24,808
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	24,808	24,808
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	24,808	<u>\$ 24,808</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(24,808)	
			<u>\$ -</u>	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 246,573	\$ 245,419	\$ 214,211	\$ (31,208)
Expenditures:				
Current:				
Instruction	-	63,028	62,989	39
Support Services:				
Students	86,940	61,647	61,644	3
Instruction	154,775	114,657	114,654	3
General Administration	4,858	6,087	6,030	57
Total expenditures	246,573	245,419	245,317	102
Excess (deficiency) of revenues over expenditures	-	-	(31,106)	(31,106)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(31,106)	\$ (31,106)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			31,106	
			\$ -	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 530,406	\$ 437,353	\$ (93,053)
 Expenditures:				
Current:				
Instruction	-	140,550	140,536	14
Support Services:				
Students	-	347,596	314,872	32,724
General Administration	-	20,950	20,103	847
Capital outlay:				
Equipment	-	21,310	20,758	552
Total expenditures	-	530,406	496,269	34,137
Excess (deficiency) of revenues over expenditures	-	-	(58,916)	(58,916)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(58,916)	\$ (58,916)
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			58,916	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 5,822	\$ 5,822	\$ 3,691	\$ (2,131)
Expenditures:				
Current:				
Support Services:				
Students	5,675	5,675	4,193	1,482
General Administration	<u>147</u>	<u>147</u>	<u>105</u>	<u>42</u>
Total expenditures	<u>5,822</u>	<u>5,822</u>	<u>4,298</u>	<u>1,524</u>
Excess (deficiency) of revenues over expenditures	-	-	(607)	(607)
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>(607)</u>	<u>\$ (607)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>607</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 65,390	\$ 65,390	\$ 64,879	\$ (511)
 Expenditures:				
Current:				
Support Services:				
Students	63,742	63,742	63,284	458
General Administration	<u>1,648</u>	<u>1,648</u>	<u>1,595</u>	<u>53</u>
Total expenditures	<u>65,390</u>	<u>65,390</u>	<u>64,879</u>	<u>511</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 - 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 5,525	\$ 5,525	\$ 5,475	\$ (50)
Expenditures:				
Current:				
Support Services:				
Students	5,525	5,525	5,473	52
Excess of revenues over expenditures	-	-	2	2
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	2	\$ 2
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2)	
			\$ -	

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, 2011

	<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 direct grant	\$ 140,000	\$ 208,724	\$ 197,757	\$ (10,967)
Expenditures:				
Current:				
Instruction	-	10,820	-	10,820
Support Services:				
Students	140,000	192,304	136,892	55,412
Operation & Maintenance of Plant	<u>-</u>	<u>5,600</u>	<u>690</u>	<u>4,910</u>
Total expenditures	<u>140,000</u>	<u>208,724</u>	<u>137,582</u>	<u>71,142</u>
Excess of revenues over expenditures	-	-	60,175	60,175
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>68,050</u>	<u>68,050</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	128,225	<u>\$ 128,225</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(119)</u>	
			<u>\$ 128,106</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, 2011

	<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 direct grant	\$ 227,003	\$ 231,351	\$ 227,962	\$ (3,389)
 Expenditures:				
Current:				
Instruction	<u>227,003</u>	<u>231,351</u>	<u>231,349</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,387)	(3,387)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,388</u>	<u>3,388</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>	<u>\$ 1</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 1</u>	

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

EDUCATION JOBS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<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 direct grant	\$ -	\$ 614,204	\$ 614,204	\$ -
 Expenditures:				
Current:				
Instruction	-	614,204	614,204	-
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

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 8,530	\$ -	\$ (8,530)
 Expenditures:				
Current:				
Instruction	-	8,530	4,831	3,699
 Excess (deficiency) of revenues over expenditures	-	-	(4,831)	(4,831)
 Fund balance at beginning of the year	-	-	8,530	8,530
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,699	<u>\$ 3,699</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 3,699</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 6,158	\$ 6,158
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	6,158	6,158
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	6,158	<u>\$ 6,158</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(5,931)</u>	
			<u>\$ 227</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 677	\$ 677	\$ -
 Expenditures:				
Current:				
Instruction	-	677	677	-
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

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, 2011

	<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	\$ -	\$ -	\$ 21,481	\$ 21,481
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess 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>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(21,481)</u>	
			<u>\$ -</u>	

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

SOLAR ENERGY SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	<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	\$ -	\$ 300,000	\$ 300,000	\$ -
 Expenditures:				
Capital outlay:				
Construction in progress	-	300,000	300,000	-
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

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, 2011

	<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	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	<u>13,305</u>	<u>13,305</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	13,305	<u>\$ 13,305</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 13,305</u>	

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, 2011

	<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	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	<u>388</u>	<u>388</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	388	<u>\$ 388</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 388</u>	

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	3,919	3,919
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,919	<u>\$ 3,919</u>
 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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 19,143	\$ 19,143	\$ -
 Expenditures:				
Current:				
Food Services Operations	-	19,143	18,396	747
Excess of revenues over expenditures	-	-	747	747
Fund balance at beginning of the year	-	-	19,448	19,448
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	20,195	<u>\$ 20,195</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 20,195</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, 2011

	<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	\$ -	\$ -	\$ 9,133	\$ 9,133
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	9,133	9,133
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,133	<u>\$ 9,133</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(9,133)</u>	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	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, 2011

	<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	\$ -	\$ 5,654	\$ 2,500	\$ (3,154)
 Expenditures:				
Current:				
Food Services Operations	<u>-</u>	<u>5,654</u>	<u>1,730</u>	<u>3,924</u>
Excess of revenues over expenditures	-	-	770	770
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,154</u>	<u>3,154</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>3,924</u>	<u>\$ 3,924</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 3,924</u>	

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

CAPITAL PROJECTS FUNDS
Year Ended June 30, 2011

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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 24,594	\$ 24,594
Local sources:				
Earnings from investments	-	-	7,528	7,528
Total revenues	-	-	32,122	32,122
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	1,456,400	1,309,428	557,807	751,621
Capital outlay:				
Equipment	52,900	139,120	66,123	72,997
Construction in progress	5,548,737	9,549,357	5,831,833	3,717,524
Total expenditures	7,058,037	10,997,905	6,455,763	4,542,142
Excess (deficiency) of revenues over expenditures	(7,058,037)	(10,997,905)	(6,423,641)	4,574,264
Other financing sources:				
Sale of bonds	-	2,500,000	2,500,000	-
Transfers in	-	-	59,438	59,438
Total other financing sources	-	2,500,000	2,559,438	59,438
Net change in fund balance	(7,058,037)	(8,497,905)	(3,864,203)	4,633,702
Beginning cash balance budgeted	7,058,037	8,497,905	-	(8,497,905)
Fund balance as previously reported	-	-	8,411,539	8,411,539
Restatement	-	-	(679,775)	(679,775)
Fund balance as restated	-	-	7,731,764	7,731,764
Fund balance at end of the year	\$ -	\$ -	3,867,561	\$ 3,867,561
RECONCILIATION TO GAAP BASIS:				
Change in payables			(309,314)	
Change in restatement			679,775	
			<u>\$ 4,238,022</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, 2011

	<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:				
Capital outlay:				
Construction in progress	<u>121,503</u>	<u>121,503</u>	<u>121,503</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(121,503)	(121,503)	(121,503)	-
Beginning cash balance budgeted	121,503	121,503	-	(121,503)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>121,503</u>	<u>121,503</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

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 170,083	\$ 170,083
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	170,083	170,083
 Other financing uses:				
Transfers out	-	-	(59,438)	(59,438)
Net change in fund balance	-	-	110,645	110,645
 Fund balance (deficit) as previously reported	-	-	(790,420)	(790,420)
Restatement	-	-	679,775	679,775
Fund balance as restated	-	-	(110,645)	(110,645)
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			679,775	
			<u>\$ -</u>	

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, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 69,284	\$ 139,137	\$ 69,853
Local sources:				
District school tax levy	<u>890,629</u>	<u>929,508</u>	<u>928,124</u>	<u>(1,384)</u>
Total revenues	<u>890,629</u>	<u>998,792</u>	<u>1,067,261</u>	<u>68,469</u>
Expenditures:				
Current:				
Support Services:				
General Administration	8,910	9,910	9,131	779
Operation & Maintenance of Plant	1,244,023	1,104,986	935,914	169,072
Capital outlay:				
Equipment	23,000	83,200	63,096	20,104
Construction in progress	<u>237,319</u>	<u>423,319</u>	<u>358,747</u>	<u>64,572</u>
Total expenditures	<u>1,513,252</u>	<u>1,621,415</u>	<u>1,366,888</u>	<u>254,527</u>
Excess (deficiency) of revenues over expenditures	(622,623)	(622,623)	(299,627)	322,996
Beginning cash balance budgeted	622,623	622,623	-	(622,623)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>659,018</u>	<u>659,018</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>359,391</u>	<u>\$ 359,391</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(115,474)	
Change in due from other governments			12,893	
Change in payables			(32,008)	
Change in deferred property taxes			<u>106,249</u>	
			<u>\$ 331,051</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive <u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	<u>17,729</u>	<u>17,729</u>	<u>17,656</u>	<u>73</u>
Excess (deficiency) of revenues over expenditures	(17,729)	(17,729)	(17,656)	73
Beginning cash balance budgeted	17,729	17,729	-	(17,729)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>17,656</u>	<u>17,656</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

DEBT SERVICE FUND
Year Ended June 30, 2011

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.

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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, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 4,620,669	\$ 4,620,669	\$ 4,136,359	\$ (484,310)
Earnings from investments	<u>3,867</u>	<u>3,867</u>	<u>986</u>	<u>(2,881)</u>
Total revenues	<u>4,624,536</u>	<u>4,624,536</u>	<u>4,137,345</u>	<u>(487,191)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	46,207	48,207	41,364	6,843
Debt service:				
Principal retirement	3,695,000	3,695,000	3,145,000	550,000
Bond interest paid	925,669	925,669	917,894	7,775
Reserves	<u>2,190,202</u>	<u>2,188,202</u>	<u>-</u>	<u>2,188,202</u>
Total expenditures	<u>6,857,078</u>	<u>6,857,078</u>	<u>4,104,258</u>	<u>2,752,820</u>
Excess (deficiency) of revenues over expenditures	(2,232,542)	(2,232,542)	33,087	2,265,629
Beginning cash balance budgeted	2,232,542	2,232,542	-	(2,232,542)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,462,426</u>	<u>2,462,426</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,495,513	<u>\$ 2,495,513</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred property taxes			<u>478,760</u>	
			<u>\$ 2,511,669</u>	

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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, 2011

Activity		Balance				Balance
Fund	ASSETS	<u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2011</u>
23100	Mountain View Elementary School	\$ 17,303	\$ 15,401	\$ 19,875		\$ 12,829
23200	Moriarty Elementary School	15,411	12,840	11,350		16,901
23300	South Mountain Elementary School	9,648	14,146	11,658		12,136
23400	Moriarty Middle School	25,589	12,003	12,501		25,091
23500	Moriarty High School	59,067	209,878	201,610		67,335
23600	Edgewood Elementary School	65,640	85,228	82,080		68,788
23700	Route 66 Elementary School	22,281	15,528	10,867		26,942
23800	District Office	85,827	19,039	18,429		86,437
23900	Edgewood Middle School	<u>30,227</u>	<u>27,168</u>	<u>30,942</u>		<u>26,453</u>
	Pooled cash and investments	<u>\$ 330,993</u>	<u>\$ 411,231</u>	<u>\$ 399,312</u>		<u>\$ 342,912</u>
	LIABILITIES					
	Deposits held for others	<u>\$ 330,993</u>	<u>\$ 411,231</u>	<u>\$ 399,312</u>		<u>\$ 342,912</u>

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

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2011

	<u>Wells Fargo</u> <u>Bank</u>	<u>First Community</u> <u>Bank</u>	<u>Total</u>
Cash on deposit at June 30, 2011	\$ 9,394,943	\$ 2,370,559	\$ 11,765,502
Less FDIC coverage	<u>9,394,943</u>	<u>250,000</u>	<u>9,644,943</u>
Uninsured funds	<u>\$ -</u>	<u>\$ 2,120,559</u>	<u>\$ 2,120,559</u>
50% collateral requirement	\$ -	\$ 1,060,280	\$ 1,060,280
Pledged collateral	<u>-</u>	<u>2,178,219</u>	<u>2,178,219</u>
Excess (deficiency) of pledged collateral	<u>\$ -</u>	<u>\$ 1,117,939</u>	<u>\$ 1,117,939</u>

Pledged collateral of financial institutions consists of the following at June 30, 2011

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
First Community Bank:			
MBS GNMA	6/15/2019	36225 B5Y0	\$ 229,284
GNR	11/20/2036	38373 AQK5	599,312
GNR	11/16/2031	38373 AWV4	310,411
GNR	4/20/2033	38374 EXN2	644,822
GNR	9/20/2031	38374 JLV6	134,310
GNR	9/20/2036	38375 QB73	126,405
GNR	10/20/2037	38376 VL62	<u>133,675</u>
			<u>\$ 2,178,219</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, 2011

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 1,822,103	\$ 21,769,513	\$ (21,881,407)	\$ 43,218	\$ 1,753,427	\$ -	\$ 1,753,427
Transportation	81,478	1,620,142	(1,701,579)	-	41	-	41
Instructional Materials	43,010	135,736	(127,762)	-	50,984	-	50,984
Food Services	215,032	1,362,141	(1,281,967)	-	295,206	-	295,206
Athletics	198,584	187,359	(192,798)	-	193,145	-	193,145
Federal Flowthrough Funds	2,625	2,667,933	(2,826,808)	163,413	7,163	-	7,163
Federal Direct Funds	72,112	1,039,924	(983,135)	-	128,901	-	128,901
Local Grants	8,531	6,158	(4,831)	(5,932)	3,926	-	3,926
State Flowthrough Funds	37,353	350,434	(319,073)	(30,615)	38,099	-	38,099
Local/State	3,154	2,500	(1,730)	-	3,924	-	3,924
Bond Building	8,497,905	2,532,122	(5,775,987)	(620,337)	4,633,703	-	4,633,703
Public School Capital Outlay	121,503	-	(121,503)	-	-	-	-
Special Capital Outlay - State	59,439	170,083	(679,775)	450,253	-	-	-
Capital Improvements SB-9	662,502	1,067,261	(1,366,887)	-	362,876	-	362,876
Public School Capital Outlay - 20%	17,656	-	(17,656)	-	-	-	-
Debt Service	2,337,471	4,137,346	(4,104,258)	-	2,370,559	-	2,370,559
Agency Funds	-	-	-	-	-	342,912	342,912
Total	\$ 14,180,458	\$ 37,048,652	\$ (41,387,156)	\$ -	\$ 9,841,954	\$ 342,912	\$ 10,184,866

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to cash:	
Operational	Checking	Wells Fargo	\$ 9,394,943	Bank Balance	\$ 11,765,502
Debt Service	Checking	First Community	2,370,559	Outstanding deposits	-
Payroll	Checking	Wells Fargo	-	Outstanding checks	(1,578,382)
Total			\$ 11,765,502	Reconciling errors	(2,254)
				Total adjustment to cash	\$ 10,184,866

SINGLE AUDIT SECTION

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

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

Hector 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, 2011, and have issued our report thereon dated August 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Moriarty-Edgewood School District No. 8 is responsible for establishing and maintaining effective 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moriarty-Edgewood School District No. 8's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Moriarty-Edgewood School District No. 8's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. Finding 2011-01. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


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 a certain other matter that is 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 finding 2011 – 1.

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.



August 24, 2011

**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**

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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

Independent Auditor's Report

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 March 2011) 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, 2011. 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 Moriarty-Edgewood School District No. 8'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, 2011.

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Hector H. Balderas, State Auditor
The Board of Education and
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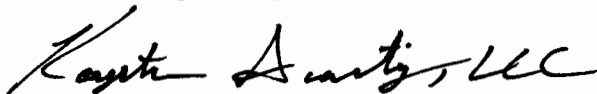
Internal Control Over Compliance

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.

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.



August 24, 2011

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STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2011

A. PRIOR YEAR AUDIT FINDINGS

2011 – 1 PUBLIC MONIES WERE NOT ADEQUATELY SECURED

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

2011 – 2 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

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

2011 – 3 MISSING BACKGROUND CHECKS

Current Status: Not Resolved. Repeated in the current year as 2011 – 01.

2011 – 4 FRAUDULENT TIMECARDS

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, 2011

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 was one significant deficiency 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:
 - 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
 - Education Jobs CFDA# 84.410.
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, 2011

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2011 – 1 MISSING BACKGROUND CHECKS
(Repeat of prior year finding 2010 – 03)

Significant Deficiency?
Yes

Material Weakness?
No

Internal Control?
Yes

Compliance?
No

Other Matter?
Yes

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: When the district took over the transportation services from Plant Transportation, we rolled the Plant employees over to district employees.

All previous Plant employees were treated as returning district employees, not as new hires requiring new background checks.

All drivers and attendants hired who had not been previous Plant employees were required to complete background checks, as are all new employees.

To address this error, a departmental audit of the Transportation files has been conducted.

All previous Plant employees will be required to submit to a current background check - this will be reviewed with them at a departmental meeting on August 25th.

All drivers will be required to come to Central Office after their morning routes by a sign-up schedule the week of August 29th.

They will be required to pay for their background check at that time, or may sign to have the deduction taken from their pay check in accordance with district policy 286.

This will ensure that all Plant employees have current background checks on file in accordance with regulations for all new employees.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

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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, 2011

<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		\$ 73,318
Pass-Through Program From:				
New Mexico Department of Education:				
Child Nutrition Cluster:				
USDA National School Lunch Program	10.555	21000	628,266	
USDA School Breakfast Program	10.553	21000	<u>252,439</u>	
Total Child Nutrition Cluster				880,705
Fresh Fruits and Vegetables	10.582	24118		39,236
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>89,923</u>
Total U.S. Department of Agriculture				<u>1,083,182</u>
<u>U.S. Department of Defense:</u>				
Pass-Through Program From:				
National Guard Military Projects	12.401	11000		<u>55,735</u>

(continued)

U.S. Department of Education:				
Pass-Through Programs From:				
New Mexico Department of Education:				
Special Education (IDEA) Cluster:				
Entitlement IDEA-B	84.027	24106	956,243	
Preschool IDEA-B	84.173	24109	44,413	
IDEA-B CEIS	84.027	24112	14,496	
ARRA - Entitlement IDEA-B	84.391	24206	496,270	
ARRA - Preschool IDEA-B	84.392	24209	4,299	
ARRA - IDEA-B CEIS	84.391	24212	<u>64,879</u>	
Total Special Education (IDEA) Cluster				<u>\$ 1,580,600</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, 2011

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Cluster Programs	Federal Expenditures
<u>U.S. Department of Education (continued):</u>				
Pass-Through Programs From (continued):				
New Mexico Department of Education (continued):				
Title I, Part A Cluster:				
Title I	84.010	24101	\$ 770,404	
ARRA - Title I	84.389	24201	<u>245,317</u>	
Total Title I, Part A Cluster:				1,015,721
Education of Homeless	84.196	24113		5,128
Javits for Gifted Education	84.206	24153		16,715
Title I Family Literacy	84.213	24154		157,848
Title VI Educational Improvements	84.151	24157		4,303
ARRA - McKinney Vento Homeless	84.387	24213		5,473
ARRA - State Revitalization	84.394	25250		231,349
Education Jobs	84.410	25255		<u>614,204</u>
Subtotal Pass-Through Programs				<u>3,631,341</u>
Total U.S. Department of Education				<u>3,631,341</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>137,701</u>
Total Expenditures of Federal Awards				<u>\$ 4,907,959</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, 2011

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 March 2011 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 2011 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 62% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$4,818,036 and all non-cash expenditures amounted to \$89,923.

Major Federal Award Program Description	Fiscal 2011 <u>Expenditure</u>
Cash assistance:	
USDA Child Nutrition Cluster	\$ 880,705
Special Education (IDEA) Cluster	1,580,600
Education Jobs	<u>614,204</u>
Total	<u>\$ 3,075,509</u>

The School District’s federal programs USDA Child Nutrition Cluster and Education Jobs were considered high risk Type A program for the 2011 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, 2011

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, 2011. 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 2011.

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REQUIRED DISCLOSURE

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

REQUIRED DISCLOSURES
Year Ended June 30, 2011

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held August 24, 2011, during which the audit findings were discussed. The exit conference was attended by the following individuals:

MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

Audrey Jaramillo	Vice-President, Board of Education / Audit Committee
Elizabeth Howells	Member, Board of Education /Audit Committee
Karen Couch, Ed.D.	Superintendent
Marla Lovato	Coordinator of Business Services; Member, Audit Committee
Priscilla Ortiz	Comptroller

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
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