

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

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2012
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The logo for Keystone Accounting, LLC features a stylized 'K' with a red outline and a black shadow, followed by the word 'KEYSTONE' in a serif font, and 'ACCOUNTING, LLC' in a similar serif font.

CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
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STATE OF NEW MEXICO
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OFFICIAL ROSTER
June 30, 2012

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 2012

JULY 1, 2011 THROUGH JUNE 30, 2012

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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 and major special revenue fund of the Moriarty-Edgewood School District No. 8, as of and for the year ended June 30, 2012, 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, 2012, 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 Moriarty-Edgewood School District No. 8'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, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue 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, 2012, 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.

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 29, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



August 29, 2012
Farmington, NM

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

Introduction

This Management Discussion and Analysis of the financial operations of the Moriarty Edgewood Schools for the period ending June 30, 2012 represents the school district's seventh year implementation of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). GASB 34 requires this written analysis as a part of the school district's financial reports and is intended to be an objective and easily readable discussion of the financial performance of the district. For school districts, GASB 34 has had a significant impact in the manner in which the financial statements are prepared, as well as the kinds of statements that are included in the report. There are two statements: a Statement of Net Assets which includes all of the assets and liabilities of the district and a Statement of Activities, which is a report that uses a net cost format with expenses reported by functions/programs. The Management Discussion and Analysis as well as the two statements, provide a review of the School District's *overall* financial activities using the accrual basis of accounting. Fund financial statements are reported on a modified accrual basis of accounting. The reports include a comparison with last fiscal year.

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

Financial Highlights:

- ❖ The 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-stucco South Mountain Elementary, Moriarty Elementary, Mountainview Elementary and Central Office including final construction of Moriarty Middle School. Bonds were also used to construct new playfields for Moriarty Elementary, Mountainview Elementary and South Mountain Elementary.
- ❖ Despite the continuing declining enrollment 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 \$629,852 in FY 11-12 in the Operational Fund, plus amount due from other funds \$710,763 in the General Fund, making a small overall decrease to cash balance in the amount of \$56,912.
- ❖ The district is in year three of a three-year contract with Keystone Accounting, LLC. Based on the FY 2011-2012 audit, which is sample based, the district had one finding. July 1, 2010, a new Legislation was enacted requiring school districts to establish an Audit Committee. The MESD has an Audit Committee who has worked with the audit firm during the FY 11-12 audit.
- ❖ During FY 11-12, some administrative re-organization occurred due to the retirement of the Associate Superintendent. The budgeting functions of his position were assigned to the Coordinator of Business Services, the Programs functions were split between the Superintendent, Director of Learning Services, Personnel Director, and Director of Student Support Services.

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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

- ❖ During FY 11-12, the district Business Office continued the annual training for all head secretaries and new principals. The training included the manual for Student Activity Accounts utilized in the schools and departments for administration and processing of all receipts and expenditures of activity funds.
- ❖ The Business Office continues to hold trainings on the Purchasing Procedures for all new administrators. The Purchasing Flowchart in the Budget Handbooks and web site were updated to ensure all State Procurement Procedures are followed and improve the record keeping of all Capital Assets.

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, 2012, the school district has Total Net Assets of \$48,542,675. At June 30, 2011, Total Net Assets were \$39,628,475 for an increase of \$8,914,200 and a restatement of prior year Net Assets of \$6,398,278. There is a total of \$5,679,140 of cash and cash equivalents on hand as of June 30, 2012 compared to \$9,841,954 on June 30, 2011 for a decrease of \$4,162,814 due to loss of SEG and declining enrollment by the District. Accounts Payable/Accrued Expenses are \$507,064 in FY 11-12 compared to \$599,139 for June 30, 2011 for a decrease of \$92,075 due primarily to the District's construction commitments. Net Assets totaling \$1,081,802 are "unrestricted" and available to the district for budgeting in FY 12-13. There was an increase in revenues of \$2,146,793, as corresponding expenses; the District was able to control other expenditures resulting in a decrease of \$782,729 from the prior year. Net Assets reflect an increase of \$8,914,200. Grant revenues increased \$176,671 due to later completion dates of projects, however, the expenses for operation of plant increased due to necessary maintenance and repairs of buildings and grounds 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.

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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

Assets	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Cash Assets	\$ 5,679,140	\$ 9,841,954
Other Current Assets	3,515,638	1,783,037
Capital Assets	<u>63,164,960</u>	<u>55,212,319</u>
Total Assets	<u>72,359,738</u>	<u>66,837,310</u>
Liabilities		
Accounts Payable and Accrued Expenses	809,745	1,112,127
Deferred Revenue	1,051	1,003
Noncurrent Liabilities	<u>23,006,267</u>	<u>26,095,705</u>
Total Liabilities	<u>23,817,063</u>	<u>27,208,835</u>
Net Assets		
Invested in Capital Assets	42,346,545	29,930,752
Restricted	5,114,328	7,800,724
Unrestricted	<u>1,081,802</u>	<u>1,896,999</u>
Total Net Assets	<u>\$ 48,542,675</u>	<u>\$ 39,628,475</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, 2012. As of June 30, 2012, the total of net assets is \$48,542,675, which corresponds with the amount in the Statement of Net Assets.

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012**

For June 30, 2012, Net Assets-Ending totaled \$48,542,675 and at June 30, 2011, the total amount for Net Assets-Ending was \$39,628,475 for an increase of \$8,914,200. The financial condition of the district continues to improve in spite of the continued enrollment decline. There continues to be a significant investment to fund improvements to our buildings and land from district funds and from state funds.

	Changes in Net Assets	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Revenues		
Program Revenues		
Charges for Services	\$ 526,095	\$ 538,320
Operating grants	4,952,592	7,062,952
Capital grants and contributions	<u>2,360,500</u>	<u>341,342</u>
Total Program Revenues	<u>7,839,187</u>	<u>7,942,614</u>
General Revenues		
Property Taxes	6,771,002	4,697,453
Grants and contributions not restricted	<u>21,639,494</u>	<u>21,462,823</u>
Total General Revenues	<u>28,410,496</u>	<u>26,160,276</u>
Total Revenues	<u>36,249,683</u>	<u>34,102,890</u>
Expenses		
Instruction	16,538,438	17,081,868
Support Services - Students	3,388,148	3,726,982
Support Services - Instruction	789,761	840,357
Support Services - General Administration	934,069	932,586
Support Services - School Administration	1,412,303	1,434,164
Central Services	384,039	399,761
Operations & Maintenance of Plant	5,980,266	5,533,161
Student Transportation	1,785,662	1,876,572
Other Support Services	58,613	29,422
Food Services	1,580,824	1,436,174
Community Services	10,348	14,207
Bond interest paid	<u>842,208</u>	<u>1,182,154</u>
Total governmental activities	33,704,679	34,487,408
Loss on asset disposal	<u>(29,082)</u>	<u>-</u>
Change in Net Assets	<u>\$ 2,515,922</u>	<u>\$ (384,518)</u>

STATE OF NEW MEXICO
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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

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 11-12, the total assets of \$9,679,460 significantly exceed the total liabilities of \$3,334,216 with a fund balance of \$6,345,244. This is a decrease from June 30, 2011 where total assets were \$11,709,938, total liabilities were \$1,814,142 and Fund Balance was \$9,835,796.

Statement of Revenue, Expenditures and Changes in Fund Balance

The Statement of Revenue, Expenditures and Changes in Fund Balances, (Exhibit B-2) 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 FY11-12 were \$35,033,914 or \$341,094 more than the FY10-11 total revenues of \$34,692,820. The largest source of revenue is state sources with \$25,604,423 or 73% of the total. State sources increased by \$1,806,337 largely due to PSFA Awards for Construction of the Moriarty Middle School.

Total expenditures for the school district at June 30, 2012 were \$38,524,445. At June 30, 2011, total expenditures were \$41,148,484 for a decrease of \$2,624,039. The majority of the decrease in expenditures is a result of the loss of Federal Stimulus Grants. The June 30, 2012 Fund Balance was \$6,345,244 for a decrease of \$3,490,552 from \$9,835,796 at June 30, 2011.

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 44 members represents all of these groups and meets on a regular basis to recommend a budget to the Superintendent and to the Board.

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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

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.

The Statement of Revenues, Expenditures and Changes in Fund Balance—Budget (Non-GAAP Budgetary Basis) and Actual (Exhibit C-1) 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, 2012 revenue actual amount of \$23,549,947 was higher than the final budgeted revenue of \$23,442,240 by \$107,707. The increase in revenue was due to the increase in indirect cost and facility use fees. The June 30, 2012 revenue actual amount was \$23,264 higher than the June 30, 2011 revenue actual amount of \$23,525,391.

The June 30, 2012 actual expenditures of \$24,342,309 were \$1,285,064 less than the final budgeted expenditures of \$25,627,373. The majority of the savings occurred in Direct Instruction, Instructional Support, and Operation and Maintenance of Plant.

During the past six years, the district has reduced the number of staff although the total cost of salaries and benefits continues to increase. For FY 11-12 the expenditure actual amounts were \$644,933 higher than in FY 10-11, this was a result of fixed cost increases, due to legislation.

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 \$63,164,960, net of depreciation invested in a broad range of capital assets including, land, buildings, parking lots, athletic fields, school grounds, vehicles, and equipment. This represents an increase of \$6,262 or .00012% from the year ended June 30, 2011. This increase is a result of the district having New Construction in 2011/2012.

At the beginning of the year, depreciable assets were valued at \$85,261,714. There were additions of \$171,312 for the year, for an ending balance of \$83,092,488. The total of accumulated depreciation is \$36,217,244, leaving the net value of equipment to just \$63,164,960. This is an indication that it will be necessary to start budgeting funds for the replacement of aged equipment in the future.

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MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

GENERAL LONG TERM DEBT

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

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

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

The amount of long-term debt at June 30, 2012 was \$22,857,153; it decreased by \$3,238,552 from year ended June 30, 2011 of \$26,095,705. The amount due within one year is \$3,335,000. 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 \$2,767,898 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, 2012 shows the accumulated assets of all agency funds as \$335,963 or a decrease of \$6,949 from June 30, 2011.

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 11-12 the Business Office held an annual refresher training of the manual of procedures for the secretaries, adding increase security to employee timesheets starting 07/01/2010.

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

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2012

FUTURE TRENDS

A double-digit inflation for the cost of gas and utilities is expected. As the economy continues to lag, increased costs are expected to affect the District in our everyday purchases. This of course, will impact the district in terms of our annual budget.

In subsequent years, the cost of health and medical insurance benefits provided through the New Mexico Public Schools Insurance Authority is expected to continue documenting double-digit inflation increases. These increases will greatly impact 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. In the next several years, it is anticipated school districts will experience double-digit inflationary increases for this coverage. The funding formula should cover the premium increases for general liability, property damage and worker's compensation premium; however, due to high claims history of some districts, many districts will realize a budgetary shortfall.

Student enrollment is projected to decline from 80 to 100 students per year for the next two to three years unless there are new major economic developments in our area. A newly established state charter school, located within district boundaries, is in the first year of operation and is expected to impact enrollment numbers in future years. Since the Public Education Department school funding formula is primarily driven 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, to families moving out of the district due secure employment, and to charter schools. There is no evidence to substantiate that the enrollment of home school students and students attending private schools would account for the loss of students. In fact, the district has realized a decrease in enrollment for students in these categories. 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.

The above factors will present challenges and opportunities for the district to carefully evaluate programs, operations, and staffing patterns in order to identify ways to balance the 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 upcoming 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, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,679,140
Receivables:	
Delinquent property taxes receivable	2,205,358
Grant	939,655
Due from other governments	92,310
Deferred bond issuance costs	226,081
Fuel inventory	4,043
Food inventory	48,191
 Non-current:	
Non-depreciable assets	16,623,593
Depreciable capital assets, net	<u>46,541,367</u>
 Total assets	 <u>72,359,738</u>
 LIABILITIES	
Accounts payable	507,064
Accrued interest	302,681
Deferred grant revenue	1,051
Compensated absences	149,114
Noncurrent liabilities:	
Due within one year	3,335,000
Due in more than one year	<u>19,522,153</u>
 Total liabilities	 <u>23,817,063</u>
 NET ASSETS	
Invested in capital assets, net of related debt	42,346,545
Restricted for:	
Inventories	52,234
Special revenue funds	460,501
Capital projects	1,833,695
Debt service	2,767,898
Unrestricted	<u>1,081,802</u>
 Total net assets	 <u>\$ 48,542,675</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, 2012

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	\$ 16,538,438	\$ 10,210	\$ 1,401,788	\$ 1,692,732	\$ (13,433,708)
Support Services - Students	3,388,148	196,162	287,177	346,781	(2,558,028)
Support Services - Instruction	789,761	-	66,940	80,833	(641,988)
Support Services - General Administration	934,069	-	79,171	95,603	(759,295)
Support Services - School Administration	1,412,303	-	119,706	144,551	(1,148,046)
Central Services	384,039	-	32,551	-	(351,488)
Operations & Maintenance of Plant	5,980,266	-	506,884	-	(5,473,382)
Student Transportation	1,785,662	-	1,495,700	-	(289,962)
Other Support Services	58,613	-	4,968	-	(53,645)
Food Services	1,580,824	319,723	956,830	-	(304,271)
Community Services	10,348	-	877	-	(9,471)
Bond interest paid	<u>842,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(842,208)</u>
 Total governmental activities	 <u>\$ 33,704,679</u>	 <u>\$ 526,095</u>	 <u>\$ 4,952,592</u>	 <u>\$ 2,360,500</u>	 <u>(25,865,492)</u>
General revenues:					
Property Taxes:					
					241,538
					5,332,811
					1,196,653
					<u>21,639,494</u>
Total general revenues					<u>28,410,496</u>
Loss on asset disposal					<u>(29,082)</u>
Change in net assets					<u>2,515,922</u>
Net assets - beginning					39,628,475
Restatement					<u>6,398,278</u>
Net assets - as restated					<u>46,026,753</u>
Net assets - ending					<u>\$ 48,542,675</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, 2012

	General <u>Fund</u>	Entitlement IDEA-B <u>Fund #24106</u>	Bond Building <u>Fund #31100</u>
ASSETS			
Pooled cash and investments	\$ 656,289	\$ 1	\$ 1,637,321
Receivables:			
Delinquent property taxes	82,132	-	-
Grant	-	385,886	-
Due from other governments	3,341	-	-
Due from other funds	710,763	-	-
Fuel inventory	4,043	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 1,456,568</u>	 <u>\$ 385,887</u>	 <u>\$ 1,637,321</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 142,878	\$ 1,366	\$ 194,152
Due to other funds	-	384,521	-
Deferred revenue:			
Federal, state, and local grants	-	-	-
Delinquent property taxes	<u>78,731</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>221,609</u>	 <u>385,887</u>	 <u>194,152</u>
Fund balance:			
Non-spendable:			
Inventories	4,043	-	-
Restricted for:			
Special revenue funds	-	-	-
Capital projects funds	-	-	1,443,169
Debt service	-	-	-
Unassigned	<u>1,230,916</u>	<u>-</u>	<u>-</u>
 Total fund balance	 <u>1,234,959</u>	 <u>-</u>	 <u>1,443,169</u>
 Total liabilities and fund balance	 <u>\$ 1,456,568</u>	 <u>\$ 385,887</u>	 <u>\$ 1,637,321</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

Balance Sheet
June 30, 2012

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Pooled cash and investments	\$ 293,594	\$ 2,624,563	\$ 467,372	\$ 5,679,140
Receivables:				
Delinquent property taxes	391,606	1,731,620	-	2,205,358
Grant	68,332	-	485,437	939,655
Due from other governments	16,305	72,664	-	92,310
Due from other funds	-	-	-	710,763
Fuel inventory	-	-	-	4,043
Food inventory	<u>-</u>	<u>-</u>	<u>48,191</u>	<u>48,191</u>
 Total assets	 <u>\$ 769,837</u>	 <u>\$ 4,428,847</u>	 <u>\$ 1,001,000</u>	 <u>\$ 9,679,460</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 3,653	\$ -	\$ 165,015	\$ 507,064
Due to other funds	-	-	326,242	710,763
Deferred revenue:				
Federal, state, and local grants	-	-	1,051	1,051
Delinquent property taxes	<u>375,658</u>	<u>1,660,949</u>	<u>-</u>	<u>2,115,338</u>
 Total liabilities	 <u>379,311</u>	 <u>1,660,949</u>	 <u>492,308</u>	 <u>3,334,216</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	48,191	52,234
Restricted for:				
Special revenue funds	-	-	460,501	460,501
Capital projects funds	390,526	-	-	1,833,695
Debt service	-	2,767,898	-	2,767,898
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,230,916</u>
 Total fund balance	 <u>390,526</u>	 <u>2,767,898</u>	 <u>508,692</u>	 <u>6,345,244</u>
 Total liabilities and fund balance	 <u>\$ 769,837</u>	 <u>\$ 4,428,847</u>	 <u>\$ 1,001,000</u>	 <u>\$ 9,679,460</u>

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

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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, 2012

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

Fund balances - total governmental funds	\$	6,345,244
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		99,382,204
Accumulated depreciation		(36,217,244)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		2,115,338
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		(22,770,000)
Accrued interest payable		(302,681)
Accrued vacation payable		(149,114)
Bond issue costs		226,081
Bond premiums		<u>(87,153)</u>
Net assets of governmental activities	\$	<u>48,542,675</u>

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

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

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2012

	General	Entitlement		Capital		Other	Total
	Fund	IDEA-B	Bond Building	Improvements	Debt Service	Governmental	Governmental
	Fund	Fund #24106	Fund #31100	SB-9	Fund #41000	Funds	Funds
Revenues:							
Federal sources:							
Forest reserve	62,001	-	-	-	-	-	62,001
Department of Defense	57,803	-	-	-	-	-	57,803
Federal flowthrough grants	47,826	895,386	-	-	-	1,113,231	2,056,443
Federal direct grants	-	-	-	-	-	179,646	179,646
Food and milk reimbursements	-	-	-	-	-	879,764	879,764
USDA Commodities	-	-	-	-	-	77,066	77,066
State sources:							
State equalization guarantee	21,512,351	-	-	-	-	-	21,512,351
Transportation	1,495,700	-	-	-	-	-	1,495,700
State instructional material	138,388	-	-	-	-	-	138,388
State grant	20,632	-	-	68,332	-	2,369,020	2,457,984
Local sources:							
Grant	-	-	-	-	-	8,936	8,936
District school tax levy	196,405	-	-	988,326	4,389,033	-	5,573,764
Fees and activities	10,210	-	-	-	-	515,885	526,095
Earnings from investments	-	-	-	-	634	-	634
Miscellaneous	7,339	-	-	-	-	-	7,339
Total revenue	\$ 23,548,655	\$ 895,386	\$ -	\$ 1,056,658	\$ 4,389,667	\$ 5,143,548	\$ 35,033,914

(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, 2012

	General Fund	Entitlement IDEA-B Fund #24106	Bond Building Fund #31100	Capital Improvements SB-9 Fund #31700	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
Expenditures:							
Current:							
Instruction	\$ 14,392,278	\$ 291,479	\$ -	\$ -	\$ -	\$ 633,608	\$ 15,317,365
Support Services:							
Students	2,237,677	392,603	-	-	-	507,713	3,137,993
Instruction	546,043	-	-	-	-	174,367	720,410
General Administration	436,371	201,376	-	9,884	43,868	173,605	865,104
School Administration	1,307,685	344	-	-	-	-	1,308,029
Central Services	339,107	-	-	-	-	16,577	355,684
Operation & Maintenance of Plant	3,388,413	-	827,390	898,983	-	423,942	5,538,728
Student Transportation	1,653,822	-	-	-	-	-	1,653,822
Other Support Services	54,285	-	-	-	-	-	54,285
Food Services Operations	-	-	-	-	-	1,464,108	1,464,108
Community Services	-	9,584	-	-	-	-	9,584
Capital outlay	-	-	1,967,463	88,316	-	1,953,984	4,009,763
Debt service:							
Principal retirement	-	-	-	-	3,220,000	-	3,220,000
Bond interest paid	-	-	-	-	869,570	-	869,570
Total expenditures	<u>24,355,681</u>	<u>895,386</u>	<u>2,794,853</u>	<u>997,183</u>	<u>4,133,438</u>	<u>5,347,904</u>	<u>38,524,445</u>
Excess (deficiency) of revenues over expenditures	<u>(807,026)</u>	<u>-</u>	<u>(2,794,853)</u>	<u>59,475</u>	<u>256,229</u>	<u>(204,356)</u>	<u>(3,490,531)</u>
Other financing sources and financing uses:							
Transfers in	-	-	-	-	-	918	918
Transfers out	(918)	-	-	-	-	-	(918)
Refunds	(21)	-	-	-	-	-	(21)
Total other financing sources and financing uses	<u>(939)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>918</u>	<u>(21)</u>
Net change in fund balance	<u>(807,965)</u>	<u>-</u>	<u>(2,794,853)</u>	<u>59,475</u>	<u>256,229</u>	<u>(203,438)</u>	<u>(3,490,552)</u>
Fund balance at beginning of the year	<u>2,042,924</u>	<u>-</u>	<u>4,238,022</u>	<u>331,051</u>	<u>2,511,669</u>	<u>712,130</u>	<u>9,835,796</u>
Fund balance at end of the year	<u>\$ 1,234,959</u>	<u>\$ -</u>	<u>\$ 1,443,169</u>	<u>\$ 390,526</u>	<u>\$ 2,767,898</u>	<u>\$ 508,692</u>	<u>\$ 6,345,244</u>

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

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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, 2012

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

Net change in fund balance - total governmental funds	\$ (3,490,552)
<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	4,009,763
Depreciation	(2,426,318)
<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, 2011	(918,100)
June 30, 2012	2,115,338
<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	3,220,000
Issuance cost amortization	(44,872)
Bond premium amortization	18,552
<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, 2011	138,073
June 30, 2012	(149,114)
<p style="padding-left: 20px;">Accrued interest at:</p>	
June 30, 2011	(302,681)
June 30, 2012	374,915
Loss on asset disposal	<u>(29,082)</u>
Change in net assets of governmental activities	<u>\$ 2,515,922</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, 2012

	<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:				
Federal sources:				
Forest reserve	\$ 65,986	\$ 65,986	\$ 62,001	\$ (3,985)
Department of Defense	60,652	60,652	57,803	(2,849)
Federal grant	34,896	34,896	47,826	12,930
State sources:				
State equalization guarantee	21,350,919	21,439,158	21,512,350	73,192
Transportation	1,580,095	1,495,700	1,495,700	-
State instructional material	120,817	133,461	136,540	3,079
State grant	-	20,632	20,632	-
Local sources:				
District school tax levy	182,755	182,755	197,698	14,943
Fees and activities	7,000	7,000	10,210	3,210
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>9,187</u>	<u>7,187</u>
Total revenues	<u>\$ 23,405,120</u>	<u>\$ 23,442,240</u>	<u>\$ 23,549,947</u>	<u>\$ 107,707</u>

(continued)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Expenditures:				
Current:				
Instruction	\$ 14,304,536	\$ 14,711,106	\$ 14,432,766	\$ 278,340
Support Services:				
Students	2,315,704	2,402,617	2,169,597	233,020
Instruction	579,997	592,567	546,205	46,362
General Administration	518,765	532,217	426,986	105,231
School Administration	1,343,127	1,342,862	1,307,685	35,177
Central Services	591,587	352,181	339,185	12,996
Operation & Maintenance of Plant	3,378,150	3,873,313	3,430,311	443,002
Student Transportation	1,598,820	1,655,054	1,649,441	5,613
Other Support Services	150,360	164,956	40,133	124,823
Capital outlay:				
Equipment	500	500	-	500
Total expenditures	24,781,546	25,627,373	24,342,309	1,285,064
Excess (deficiency) of revenues over expenditures	(1,376,426)	(2,185,133)	(792,362)	1,392,771
Other financing uses:				
Transfers out	-	-	(918)	(918)
Refunds	-	-	(21)	(21)
Total other financing uses	-	-	(939)	(939)
Net change in fund balance	(1,376,426)	(2,185,133)	(793,301)	1,391,832
Beginning cash balance budgeted	1,376,426	2,185,133	-	(2,185,133)
Fund balance at beginning of the year	-	-	2,042,924	2,042,924
Fund balance at end of the year	\$ -	\$ -	1,249,623	\$ 1,249,623
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(3,809)	
Change in property tax receivable			45,710	
Change in due from other governments			(1,870)	
Change in payables			(9,562)	
Change in deferred property taxes			(45,133)	
			\$ 1,234,959	

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

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

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND - NO. 24106
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 830,174	\$ 961,235	\$ 618,647	\$ (342,588)
Expenditures:				
Current:				
Instruction	198,020	291,063	291,013	50
Support Services:				
Students	445,628	436,349	392,358	43,991
General Administration	179,346	223,789	201,254	22,535
School Administration	-	344	344	-
Community Services Operations	7,180	9,690	9,584	106
Total expenditures	830,174	961,235	894,553	66,682
Excess (deficiency) of revenues over expenditures	-	-	(275,906)	(275,906)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(275,906)	\$ (275,906)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			276,739	
Change in payables			(833)	
			\$ -	

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, 2012

ASSETS

Pooled cash and investments	\$ 335,963
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LIABILITIES

Deposits held for others	\$ 335,963
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The notes to the financial statements are an integral part of this statement.

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

Notes to the Financial Statements
June 30, 2012

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

Notes to the Financial Statements
June 30, 2012

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, 2012

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 position and the statement of changes in net position) 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, 2012

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.

Entitlement IDEA-B – The Entitlement 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.

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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."

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

Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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, 2012

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, 2012

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, 2012.

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, 2012.

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, 2012

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 consists of net assets that does 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 is 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, 2012

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 \$21,512,351 in state equalization guarantee distributions during the year ended June 30, 2012.

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 \$1,495,700 in transportation distributions during the year ended June 30, 2012.

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

Notes to the Financial Statements
June 30, 2012

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, 2012

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, 2012 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	\$ 24,781,546	\$ 25,627,373
Special Revenue Fund	3,528,221	4,441,662
Capital Projects Fund	5,043,824	5,975,700
Debt Service Fund	<u>6,980,249</u>	<u>6,980,249</u>
Totals	<u>\$ 40,333,840</u>	<u>\$ 43,024,984</u>

B. Budgetary Violations

The District had one budgetary violation of \$2,976 in Debt Service Fund during the year ended June 30, 2012.

C. Deficit Fund Equity

There were not any deficit fund balances as of June 30, 2012.

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

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2012, the carrying amount of the District's deposits was \$6,015,103 and the bank balance was \$7,751,448 with the difference consisting of outstanding checks. Of this balance \$5,376,885 was covered by federal depository insurance and \$2,374,563 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, 2012, none of the District's bank balance of \$7,751,448 was exposed to custodial risk as follows:

	Wells Fargo <u>Bank</u>	US <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	-	2,374,563	2,374,563
Total uninsured	-	2,374,563	2,374,563
Insured (FDIC)	5,126,885	250,000	5,376,885
Total deposits	<u>\$ 5,126,885</u>	<u>\$ 2,624,563</u>	<u>\$ 7,751,448</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ -	\$ 1,187,282	\$ 1,187,282
Pledged security	-	2,503,112	2,503,112
Over collateralization	<u>\$ -</u>	<u>\$ 1,315,830</u>	<u>\$ 1,315,830</u>

The collateral pledged is listed on Page 123 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, 2012

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:

	Receivables		Due from Other	
	Delinquent Property		<u>Governments</u>	<u>Funds</u>
	<u>Taxes</u>	<u>Grant</u>		
Major Funds:				
General	\$ 82,132	\$ -	\$ 3,341	\$ 710,763
Entitlement IDEA-B	-	385,886	-	-
Bond Building	-	-	-	-
Capital Improvements SB - 9	391,606	-	16,305	-
Debt Service Fund	1,731,620	-	72,664	-
Other Governmental Funds	-	485,437	-	-
Total	<u>\$ 2,205,358</u>	<u>\$ 871,323</u>	<u>\$ 92,310</u>	<u>\$ 710,763</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	\$ -	\$ 1,051
Delinquent property taxes		
General Fund	78,731	-
Capital Improvements SB - 9	375,658	-
Debt Service Fund	<u>1,660,949</u>	-
Total deferred/unearned revenue for governmental funds	<u>\$ 2,115,338</u>	<u>\$ 1,051</u>

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

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Restatement</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	3,838,451	-	6,398,278	14,437,659
Total capital assets, not being depreciated	<u>6,052,987</u>	<u>3,838,451</u>	<u>-</u>	<u>6,398,278</u>	<u>16,289,716</u>
Capital assets, being depreciated:					
Land improvements	2,519,553	25,901	-	-	2,545,454
Buildings and improvements	73,091,501	72,855	(21,844)	-	73,142,512
Furniture, fixtures, and equipment	7,848,062	72,556	(516,096)	-	7,404,522
Library books	1,802,598	-	(1,802,598)	-	-
Total capital assets being depreciated	<u>85,261,714</u>	<u>171,312</u>	<u>(2,340,538)</u>	<u>-</u>	<u>83,092,488</u>
Less accumulated depreciation for:					
Land improvements	(704,661)	(127,165)	-	-	(831,826)
Buildings and improvements	(29,395,633)	(1,738,496)	7,888	-	(31,126,241)
Furniture, fixtures, and equipment	(4,199,490)	(560,657)	500,970	-	(4,259,177)
Library books	(1,802,598)	-	1,802,598	-	-
Total accumulated depreciation	<u>(36,102,382)</u>	<u>(2,426,318)</u>	<u>2,311,456</u>	<u>-</u>	<u>(36,217,244)</u>
Total capital assets being depreciated, net	<u>49,159,332</u>	<u>(2,255,006)</u>	<u>(29,082)</u>	<u>-</u>	<u>46,875,244</u>
Total capital assets, net	<u>\$ 55,212,319</u>	<u>\$ 1,583,445</u>	<u>\$ (29,082)</u>	<u>\$ 6,398,278</u>	<u>\$ 63,164,960</u>

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

Notes to the Financial Statements
June 30, 2012

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	\$ 1,221,073
Support Services - Students	250,155
Support Services - Instruction	58,310
Support Services - General Administration	68,965
Support Services - School Administration	104,274
Central Services	28,355
Operations & Maintenance of Plant	441,538
Student Transportation	131,840
Other Support Services	4,328
Food Services	116,716
Community Services	764
Total Depreciation Expense	\$ 2,426,318

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.

Capital asset balances and accumulated depreciation has been adjusted for assets that were unreported in prior years. The net adjustment of \$6,398,278 was a restatement of net assets and is detailed in Note IV.E on page 54.

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 \$1,765,363 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, 2012 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 710,763	\$ -
Entitlement IDEA-B	-	384,521
Other Governmental Funds	-	326,242
Total deferred/unearned revenue for governmental funds	\$ 710,763	\$ 710,763

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

Notes to the Financial Statements
June 30, 2012

III. DETAILED NOTES ON ALL FUNDS (continued)

D. Inter-Fund Receivables and Payables (continued)

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.

E. Inter-Fund Transfers

There was one inter-fund transfer made during the year ended June 30, 2012 from General Fund to Fresh Fruits and Vegetables Special Revenue Fund in the amount of \$918 in order to cover 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, 2012 are as follows:

<u>General Obligations Bonds</u>		<u>Original</u> <u>Amount</u>	<u>Interest Rates</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amount Due</u> <u>Within One Year</u>
Series	2001	\$ 3,000,000	4.75% to 5.00%	\$ 1,555,000	\$ 280,000
Series	2002	3,000,000	3.40% to 5.40%	1,665,000	270,000
Series	2002B	1,000,000	3.50% to 5.25%	215,000	105,000
Series	2003	2,000,000	2.50% to 3.00%	1,065,000	340,000
Series	2004	1,500,000	2.55% to 3.80%	800,000	125,000
Series	2004B	1,700,000	3.25% to 3.90%	1,450,000	250,000
Series	2005	1,500,000	3.40% to 3.50%	820,000	190,000
Series	2006	1,300,000	3.60% to 4.00%	900,000	200,000
Series	2008	7,500,000	3.00% to 3.25%	4,600,000	1,225,000
Series	2009	4,000,000	3.90% to 5.00%	3,300,000	250,000
Series	2010	4,000,000	2.50% to 3.00%	4,000,000	-
Series	2011	<u>2,500,000</u>	2.50% to 2.70%	<u>2,400,000</u>	<u>100,000</u>
Total		<u>\$ 33,000,000</u>		<u>\$ 22,770,000</u>	<u>\$ 3,335,000</u>

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, 2012

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>
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	4,315,000	241,145	4,556,145
2018 - 2022	<u>3,710,000</u>	<u>101,280</u>	<u>3,811,280</u>
Total	<u>\$ 22,770,000</u>	<u>\$ 2,621,925</u>	<u>\$ 25,391,925</u>

Changes in long term debt – During the year ended June 30, 2012 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>Balance</u>	<u>Within One Year</u>
Compensated absences:				
Compensated vacation	\$ 138,073	\$ 137,029	\$ 149,114	\$ 149,114
Bonds payable	<u>25,990,000</u>	<u>-</u>	<u>22,770,000</u>	<u>3,335,000</u>
	<u>\$ 26,128,073</u>	<u>\$ 137,029</u>	<u>\$ 22,919,114</u>	<u>\$ 3,484,114</u>

	<u>Balance</u>
	<u>June 30, 2012</u>
Bonds payable	\$ 22,770,000
Less: current maturities	(3,335,000)
Unamortized:	
Bond premiums	<u>87,153</u>
Total non-current liabilities	<u>\$ 19,522,153</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, 2012

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, 2012.

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, 2012

IV. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Effective July 1, 2011 through June 30, 2012, 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 11.15% 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 9.15% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2012 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, 2012, 2011 and 2010 were \$1,682,990, \$1,988,544, and \$2,122,395, 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, 2012

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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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>
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, 2012, 2011, and 2010 were \$319,728, \$295,081, and \$245,308, 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, 2012

IV. OTHER INFORMATION (continued)

E. Restatement

The restatement of \$6,398,278 was due to unrecorded in-kind contributions from the Public Schools Capital Outlays Commission made on construction projects during the prior year. The contributions are made directly to the contractor with the District only receiving information reports. The District is required to record these contributions as state grant revenue and capital outlays.

F. Cash Flows

The District's 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's 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.

G. Subsequent Events

Subsequent events were evaluated through August 29, 2012, which is the date the financial statements were available to be issued.

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

GENERAL FUNDS
Year Ended June 30, 2012

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, 2012

	General Funds			Total General Funds
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
ASSETS				
Pooled cash and investments	\$ 629,852	\$ 46	\$ 26,391	\$ 656,289
Receivables:				
Delinquent property taxes	82,132	-	-	82,132
Due from other governments	3,341	-	-	3,341
Due from other funds	710,763	-	-	710,763
Fuel inventory	<u>-</u>	<u>4,043</u>	<u>-</u>	<u>4,043</u>
Total assets	<u>\$ 1,426,088</u>	<u>\$ 4,089</u>	<u>\$ 26,391</u>	<u>\$ 1,456,568</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 142,447	\$ 431	\$ -	\$ 142,878
Deferred revenue:				
Delinquent property taxes	<u>78,731</u>	<u>-</u>	<u>-</u>	<u>78,731</u>
Total liabilities	<u>221,178</u>	<u>431</u>	<u>-</u>	<u>221,609</u>
Fund balance:				
Non-spendable:				
Inventories	-	4,043	-	4,043
Unassigned	<u>1,204,910</u>	<u>(385)</u>	<u>26,391</u>	<u>1,230,916</u>
Total fund balance	<u>1,204,910</u>	<u>3,658</u>	<u>26,391</u>	<u>1,234,959</u>
Total liabilities and fund balance	<u>\$ 1,426,088</u>	<u>\$ 4,089</u>	<u>\$ 26,391</u>	<u>\$ 1,456,568</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, 2012

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Federal sources:				
Forest reserve	\$ 62,001	\$ -	\$ -	\$ 62,001
Department of Defense	57,803	-	-	57,803
Federal flowthrough grants	47,826	-	-	47,826
State sources:				
State equalization guarantee	21,512,351	-	-	21,512,351
Transportation	-	1,495,700	-	1,495,700
State instructional material	-	-	138,388	138,388
State grant	-	20,632	-	20,632
Local sources:				
District school tax levy	196,405	-	-	196,405
Fees and activities	10,210	-	-	10,210
Miscellaneous	7,339	-	-	7,339
Total revenue	\$ 21,893,935	\$ 1,516,332	\$ 138,388	\$ 23,548,655
Expenditures:				
Current:				
Instruction	14,235,607	-	156,671	14,392,278
Support Services:				
Students	2,237,677	-	-	2,237,677
Instruction	546,043	-	-	546,043
General Administration	436,371	-	-	436,371
School Administration	1,307,685	-	-	1,307,685
Central Services	339,107	-	-	339,107
Operation & Maintenance of Plant	3,388,413	-	-	3,388,413
Student Transportation	133,688	1,520,134	-	1,653,822
Other Support Services	54,285	-	-	54,285
Total expenditures	22,678,876	1,520,134	156,671	24,355,681
Excess (deficiency) of revenues over expenditures	(784,941)	(3,802)	(18,283)	(807,026)
Other financing uses:				
Transfers out	(918)	-	-	(918)
Refunds	-	(21)	-	(21)
Total other financing uses	(918)	(21)	-	(939)
Net change in fund balance	(785,859)	(3,823)	(18,283)	(807,965)
Fund balance at beginning of the year	1,990,769	7,481	44,674	2,042,924
Fund balance at end of the year	\$ 1,204,910	\$ 3,658	\$ 26,391	\$ 1,234,959

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

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Forest reserve	\$ 65,986	\$ 65,986	\$ 62,001	\$ (3,985)
Department of Defense	60,652	60,652	57,803	(2,849)
Federal grant	34,896	34,896	47,826	12,930
State sources:				
State equalization guarantee	21,350,919	21,439,158	21,512,350	73,192
Local sources:				
District school tax levy	182,755	182,755	197,698	14,943
Fees and activities	7,000	7,000	10,210	3,210
Miscellaneous	2,000	2,000	7,339	5,339
Total revenues	21,704,208	21,792,447	21,895,227	102,780
Expenditures:				
Current:				
Instruction	14,183,719	14,526,661	14,269,785	256,876
Support Services:				
Students	2,315,704	2,402,617	2,169,597	233,020
Instruction	579,997	592,567	546,205	46,362
General Administration	518,765	532,217	426,986	105,231
School Administration	1,343,127	1,342,862	1,307,685	35,177
Central Services	591,587	352,181	339,185	12,996
Operation & Maintenance of Plant	3,378,150	3,873,313	3,430,311	443,002
Student Transportation	18,725	138,722	133,135	5,587
Other Support Services	150,360	164,956	40,133	124,823
Capital outlay:				
Equipment	500	500	-	500
Total expenditures	23,080,634	23,926,596	22,663,022	1,263,574
Excess (deficiency) of revenues over expenditures	(1,376,426)	(2,134,149)	(767,795)	1,366,354
Other financing uses:				
Transfers out	-	-	(918)	(918)
Net change in fund balance	(1,376,426)	(2,134,149)	(768,713)	1,365,436
Beginning cash balance budgeted	1,376,426	2,134,149	-	(2,134,149)
Fund balance at beginning of the year	-	-	1,990,769	1,990,769
Fund balance at end of the year	\$ -	\$ -	1,222,056	\$ 1,222,056
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			45,710	
Change in due from other governments			(1,870)	
Change in payables			(15,853)	
Change in deferred property taxes			(45,133)	
			\$ 1,204,910	

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

TRANSPORTATION FUND - NO. 13000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
State sources:				
Transportation	\$ 1,580,095	\$ 1,495,700	\$ 1,495,700	\$ -
State grant	<u>-</u>	<u>20,632</u>	<u>20,632</u>	<u>-</u>
Total revenues	1,580,095	1,516,332	1,516,332	-
 Expenditures:				
Current:				
Support Services:				
Student Transportation	<u>1,580,095</u>	<u>1,516,332</u>	<u>1,516,306</u>	<u>26</u>
Excess of revenues over expenditures	-	-	26	26
 Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(21)</u>	<u>(21)</u>
Net change in fund balance	-	-	5	5
 Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>7,481</u>	<u>7,481</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>7,486</u>	<u>\$ 7,486</u>
 RECONCILIATION TO GAAP BASIS:				
Change in inventory			(3,809)	
Change in payables			<u>(19)</u>	
			<u>\$ 3,658</u>	

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

INSTRUCTIONAL MATERIALS FUND - NO. 14000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<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 instructional material	\$ 120,817	\$ 133,461	\$ 136,540	\$ 3,079
Local sources:				
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,848</u>	<u>1,848</u>
Total revenues	120,817	133,461	138,388	4,927
Expenditures:				
Current:				
Instruction	<u>120,817</u>	<u>184,445</u>	<u>162,981</u>	<u>21,464</u>
Excess (deficiency) of revenues over expenditures	-	(50,984)	(24,593)	26,391
Beginning cash balance budgeted	-	50,984	-	(50,984)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>44,674</u>	<u>44,674</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	20,081	<u>\$ 20,081</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>6,310</u>	
			<u>\$ 26,391</u>	

NONMAJOR GOVERNMENTAL FUNDS

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds						
	Food Service	Athletics	Title I	Discretionary IDEA-B	Preschool IDEA-B	IDEA-B CEIS	Education of Homeless
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>Fund #24107</u>	<u>Fund #24109</u>	<u>Fund #24112</u>	<u>Fund #24113</u>
ASSETS							
Pooled cash and investments	\$ 158,969	\$ 152,703	\$ 1	\$ 11	\$ 1	\$ -	\$ -
Receivables:							
Grant	-	-	200,975	-	30,035	24,684	1,424
Food inventory	<u>48,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 207,160</u>	<u>\$ 152,703</u>	<u>\$ 200,976</u>	<u>\$ 11</u>	<u>\$ 30,036</u>	<u>\$ 24,684</u>	<u>\$ 1,424</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 1,113	\$ 585	\$ 178	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	200,798	-	30,036	24,684	1,424
Deferred revenue:							
Federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	1,113	585	200,976	11	30,036	24,684	1,424
Fund balance:							
Non-spendable:							
Inventories	48,191	-	-	-	-	-	-
Restricted for:							
Special revenue funds	<u>157,856</u>	<u>152,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 207,160</u>	<u>\$ 152,703</u>	<u>\$ 200,976</u>	<u>\$ 11</u>	<u>\$ 30,036</u>	<u>\$ 24,684</u>	<u>\$ 1,424</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds						
	Fresh Fruits and Vegetables <u>Fund #24118</u>	Comprehensive School Reform <u>Fund #24135</u>	Title V <u>Fund #24150</u>	Title III English Language <u>Fund #24153</u>	Teacher/Principal Training <u>Fund #24154</u>	Title IV Drug Free Schools <u>Fund #24157</u>	Title I School Improvement <u>Fund #24162</u>
ASSETS							
Pooled cash and investments	\$ 48	\$ 87	\$ 71	\$ -	\$ 1	\$ 779	\$ 3
Receivables:							
Grant	-	-	-	12,480	55,183	-	-
Food inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 48</u>	<u>\$ 87</u>	<u>\$ 71</u>	<u>\$ 12,480</u>	<u>\$ 55,184</u>	<u>\$ 779</u>	<u>\$ 3</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 10,581	\$ -	\$ -	\$ -
Due to other funds	-	-	-	1,899	55,184	-	-
Deferred revenue:							
Federal, state, and local grants	<u>48</u>	<u>87</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>779</u>	<u>3</u>
Total liabilities	48	87	71	12,480	55,184	779	3
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 48</u>	<u>\$ 87</u>	<u>\$ 71</u>	<u>\$ 12,480</u>	<u>\$ 55,184</u>	<u>\$ 779</u>	<u>\$ 3</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds						
	Title III Immigrant Funding <u>Fund #24163</u>	ARRA - Title I <u>Fund #24201</u>	ARRA - Entitlement IDEA-B <u>Fund #24206</u>	ARRA - Preschool IDEA-B <u>Fund #24209</u>	Title XIX Medicaid <u>Fund #25153</u>	ARRA - State Revitalization <u>Fund #25250</u>	Education Jobs <u>Fund #25255</u>
ASSETS							
Pooled cash and investments	\$ 52	\$ -	\$ -	\$ -	\$ 126,154	\$ 1	\$ -
Receivables:							
Grant	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,154</u>	<u>\$ 1</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,118	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue:							
Federal, state, and local grants	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	52	-	-	-	4,118	-	-
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,036</u>	<u>1</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,154</u>	<u>\$ 1</u>	<u>\$ -</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds						
	LANL Foundation <u>Fund #26113</u>	Wallace Foundation <u>Fund #26125</u>	Dual Credit Instructional Mataterials <u>Fund #27103</u>	GO Bond Library <u>Fund #27105</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>
ASSETS							
Pooled cash and investments	\$ 3,331	\$ 227	\$ -	\$ -	\$ 1	\$ 13,305	\$ 388
Receivables:							
Grant	-	-	2,298	-	9,918	-	-
Food inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 3,331</u>	<u>\$ 227</u>	<u>\$ 2,298</u>	<u>\$ -</u>	<u>\$ 9,919</u>	<u>\$ 13,305</u>	<u>\$ 388</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	2,298	-	9,919	-	-
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	-	-
Total liabilities	-	-	2,298	-	9,919	-	-
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	-	-	-
Restricted for:							
Special revenue funds	<u>3,331</u>	<u>227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,305</u>	<u>388</u>
Total liabilities and fund balance	<u>\$ 3,331</u>	<u>\$ 227</u>	<u>\$ 2,298</u>	<u>\$ -</u>	<u>\$ 9,919</u>	<u>\$ 13,305</u>	<u>\$ 388</u>

(continued)

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

GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2012

	<u>Special Revenue Funds</u>				Total Non-Major Special Revenue <u>Funds</u>	Special Capital Outlay - State <u>Fund #31400</u>	Total Nonmajor Governmental <u>Funds</u>
	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>	Library Books <u>Fund #27549</u>	Dairy Max <u>Fund #29102</u>			
ASSETS							
Pooled cash and investments	\$ 3,919	\$ 10	\$ 292	\$ 7,018	\$ 467,372	\$ -	\$ 467,372
Receivables:							
Grant	-	-	-	-	336,997	148,440	485,437
Food inventory	-	-	-	-	<u>48,191</u>	-	<u>48,191</u>
Total assets	<u>\$ 3,919</u>	<u>\$ 10</u>	<u>\$ 292</u>	<u>\$ 7,018</u>	<u>\$ 852,560</u>	<u>\$ 148,440</u>	<u>\$ 1,001,000</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 16,575	\$ 148,440	\$ 165,015
Due to other funds	-	-	-	-	326,242	-	326,242
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	<u>1,051</u>	-	<u>1,051</u>
Total liabilities	-	-	-	-	343,868	148,440	492,308
Fund balance:							
Non-spendable:							
Inventories	-	-	-	-	48,191	-	48,191
Restricted for:							
Special revenue funds	<u>3,919</u>	<u>10</u>	<u>292</u>	<u>7,018</u>	<u>460,501</u>	-	<u>460,501</u>
Total liabilities and fund balance	<u>\$ 3,919</u>	<u>\$ 10</u>	<u>\$ 292</u>	<u>\$ 7,018</u>	<u>\$ 852,560</u>	<u>\$ 148,440</u>	<u>\$ 1,001,000</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, 2012

	Special Revenue Funds				
	Food Service	Athletics	Title I	Discretionary	Preschool
	<u>Fund #21000</u>	<u>Fund #22000</u>	<u>Fund #24101</u>	<u>Fund #24107</u>	<u>Fund #24109</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 700,439	\$ -	\$ 46,533
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	879,764	-	-	-	-
USDA Commodities	77,066	-	-	-	-
State sources:					
State grant	46,171	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	<u>319,723</u>	<u>196,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,322,724</u>	<u>196,162</u>	<u>700,439</u>	<u>-</u>	<u>46,533</u>
Expenditures:					
Current:					
Instruction	-	232,228	343,628	-	756
Support Services:					
Students	-	-	232,052	-	20,512
Instruction	-	-	53,531	-	-
General Administration	-	-	71,228	-	25,265
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	1,381,588	-	-	-	-
Capital outlay	<u>81,793</u>	<u>3,186</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,463,381</u>	<u>235,414</u>	<u>700,439</u>	<u>-</u>	<u>46,533</u>
Excess (deficiency) of revenues over expenditures	(140,657)	(39,252)	-	-	-
Other financing sources:					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(140,657)	(39,252)	-	-	-
Fund balance at beginning of the year	<u>346,704</u>	<u>191,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 206,047</u>	<u>\$ 152,118</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, 2012

	Special Revenue Funds				
	IDEA-B CEIS <u>Fund #24112</u>	Education of Homeless <u>Fund #24113</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	Comprehensive School Reform <u>Fund #24135</u>	Title V <u>Fund #24150</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 63,995	\$ 17,000	\$ 55,575	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	63,995	17,000	55,575	-	-
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services:					
Students	62,454	17,000	-	-	-
Instruction	-	-	-	-	-
General Administration	1,541	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	56,493	-	-
Capital outlay	-	-	-	-	-
Total expenditures	63,995	17,000	56,493	-	-
Excess (deficiency) of revenues over expenditures	-	-	(918)	-	-
Other financing uses:					
Transfers in	-	-	918	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

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

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2012

	Special Revenue Funds				
	Title III English Language <u>Fund #24153</u>	Teacher/Principal Training <u>Fund #24154</u>	Title IV Drug Free Schools <u>Fund #24157</u>	Title I School Improvement <u>Fund #24162</u>	Title III Immigrant Funding <u>Fund #24163</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 22,455	\$ 207,133	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	22,455	207,133	-	-	-
Expenditures:					
Current:					
Instruction	22,160	17,550	-	-	-
Support Services:					
Students	-	2,715	-	-	-
Instruction	-	95,015	-	-	-
General Administration	295	75,276	-	-	-
Central Services	-	16,577	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	22,455	207,133	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

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

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2012

	Special Revenue Funds				
	ARRA - Title I <u>Fund #24201</u>	ARRA - Entitlement IDEA-B <u>Fund #24206</u>	ARRA - Preschool IDEA-B <u>Fund #24209</u>	Title XIX Medicaid <u>Fund #25153</u>	ARRA - State Revitalization <u>Fund #25250</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ 101	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	170,552	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>101</u>	<u>-</u>	<u>-</u>	<u>170,552</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	101	-	-	2,863	-
Support Services:					
Students	-	-	-	172,980	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	779	-
Food Services Operations	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>101</u>	<u>-</u>	<u>-</u>	<u>176,622</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(6,070)	-
Other financing uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	-	-	-	(6,070)	-
Fund balance at beginning of the year	-	-	-	128,106	1
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,036</u>	<u>\$ 1</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, 2012

	Special Revenue Funds				
	Education Jobs <u>Fund #25255</u>	LANL Foundation <u>Fund #26113</u>	Wallace Foundation <u>Fund #26125</u>	Dual Credit Instructional Materials <u>Fund #27103</u>	GO Bond Library <u>Fund #27105</u>
	Revenues:				
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	9,094	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	-	-	-	4,860	7,746
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	9,094	-	-	4,860	7,746
Expenditures:					
Current:					
Instruction	9,094	368	-	4,860	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	7,746
General Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	9,094	368	-	4,860	7,746
Excess (deficiency) of revenues over expenditures	-	(368)	-	-	-
Other financing uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	-	(368)	-	-	-
Fund balance at beginning of the year	-	3,699	227	-	-
Fund balance at end of the year	\$ -	\$ 3,331	\$ 227	\$ -	\$ -

(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, 2012

	<u>Special Revenue Funds</u>				
	Libraries GO Bond 2010 <u>Fund #27106</u>	Technology for Education <u>Fund #27117</u>	Incentives for School Improvement <u>Fund #27138</u>	Beginning Teacher Mentoring <u>Fund #27154</u>	Breakfast for Elementary Students <u>Fund #27155</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
State sources:					
State grant	18,075	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Total revenue	<u>18,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	18,075	-	-	-	-
General Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Food Services Operations	-	-	-	-	20,185
Capital outlay	-	-	-	-	-
Total expenditures	<u>18,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,185</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	(20,185)
Other financing uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	-	-	-	-	(20,185)
Fund balance at beginning of the year	-	13,305	388	3,919	20,195
Fund balance at end of the year	<u>\$ -</u>	<u>\$ 13,305</u>	<u>\$ 388</u>	<u>\$ 3,919</u>	<u>\$ 10</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, 2012

	<u>Special Revenue Funds</u>				
	Library Books	Dairy Max	Total Nonmajor	Special Capital	Total Nonmajor
	<u>Fund #27549</u>	<u>Fund #29102</u>	<u>Funds</u>	<u>Fund #31400</u>	<u>Funds</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ 1,113,231	\$ -	\$ 1,113,231
Federal direct grants	-	-	179,646	-	179,646
Food and milk reimbursements	-	-	879,764	-	879,764
USDA Commodities	-	-	77,066	-	77,066
State sources:					
State grant	-	-	76,852	2,292,168	2,369,020
Local sources:					
Grant	-	8,936	8,936	-	8,936
Fees and activities	-	-	<u>515,885</u>	-	<u>515,885</u>
Total revenue	<u>-</u>	<u>8,936</u>	<u>2,851,380</u>	<u>2,292,168</u>	<u>5,143,548</u>
Expenditures:					
Current:					
Instruction	-	-	633,608	-	633,608
Support Services:					
Students	-	-	507,713	-	507,713
Instruction	-	-	174,367	-	174,367
General Administration	-	-	173,605	-	173,605
Central Services	-	-	16,577	-	16,577
Operation & Maintenance of Plant	-	-	779	423,163	423,942
Food Services Operations	-	5,842	1,464,108	-	1,464,108
Capital outlay	-	-	<u>84,979</u>	<u>1,869,005</u>	<u>1,953,984</u>
Total expenditures	<u>-</u>	<u>5,842</u>	<u>3,055,736</u>	<u>2,292,168</u>	<u>5,347,904</u>
Excess (deficiency) of revenues over expenditures	-	3,094	(204,356)	-	(204,356)
Other financing uses:					
Transfers in	-	-	<u>918</u>	-	<u>918</u>
Net change in fund balance	-	3,094	(203,438)	-	(203,438)
Fund balance at beginning of the year	<u>292</u>	<u>3,924</u>	<u>712,130</u>	<u>-</u>	<u>712,130</u>
Fund balance at end of the year	<u>\$ 292</u>	<u>\$ 7,018</u>	<u>\$ 508,692</u>	<u>\$ -</u>	<u>\$ 508,692</u>

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BUDGETARY PRESENTATION

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

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012

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.

DISCRETIONARY IDEA-B

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

PRESCHOOL IDEA-B

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

IDEA-B CEIS

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

EDUCATION OF HOMELESS

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

FRESH FRUITS AND VEGETABLES

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

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MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NONMAJOR SPECIAL REVENUE FUNDS
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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 V

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

TITLE III ENGLISH LANGUAGE

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

TEACHER/PRINCIPAL TRAINING

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

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.

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NONMAJOR SPECIAL REVENUE FUNDS
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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 failing, 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 2012 (ARRA), Public Law 111-5.

ARRA – ENTITLEMENT IDEA-B

Used in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services. Authorization: Individuals with Disabilities Education (IDEA), as amended, Part B, Section 611-618, 20 U.S.C 1411-1418; American Recovery and Reinvestment Act of 2012 (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.

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 2011 (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 2011-2012. Authorization: Title I, Public Law 111-126.

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MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8

NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012

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.

LIBRARY GO BONDS 2010

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 2010 SB333

TECHNOLOGY FOR EDUCATION

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

INCENTIVE FOR SCHOOL IMPROVEMENTS

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

BEGINNING TEACHER MENTORING

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

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NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2012

BREAKFAST FOR ELEMENTARY STUDENTS

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

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.

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FOOD SERVICE SPECIAL REVENUE FUND - NO. 21000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 852,090	\$ 852,090	\$ 879,764	\$ 27,674
USDA Commodities	88,198	88,198	77,066	(11,132)
State sources:				
State grant	-	-	46,171	46,171
Local sources:				
Fees and activities	<u>285,696</u>	<u>285,696</u>	<u>319,723</u>	<u>34,027</u>
Total revenues	<u>1,225,984</u>	<u>1,225,984</u>	<u>1,322,724</u>	<u>96,740</u>
Expenditures:				
Current:				
Food Services Operations	1,311,235	1,439,390	1,377,168	62,222
Capital outlay:				
Equipment	<u>-</u>	<u>81,800</u>	<u>81,793</u>	<u>7</u>
Total expenditures	<u>1,311,235</u>	<u>1,521,190</u>	<u>1,458,961</u>	<u>62,229</u>
Excess (deficiency) of revenues over expenditures	(85,251)	(295,206)	(136,237)	158,969
Beginning cash balance budgeted	85,251	295,206	-	(295,206)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>346,704</u>	<u>346,704</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	210,467	<u>\$ 210,467</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(3,750)	
Change in payables			<u>(670)</u>	
			<u>\$ 206,047</u>	

STATE OF NEW MEXICO
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ATHLETICS SPECIAL REVENUE FUND - NO. 22000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 126,044	\$ 126,044	\$ 196,162	\$ 70,118
 Expenditures:				
Current:				
Instruction	260,343	316,002	233,417	82,585
Capital outlay:				
Equipment	-	3,186	3,186	-
Total expenditures	<u>260,343</u>	<u>319,188</u>	<u>236,603</u>	<u>82,585</u>
Excess (deficiency) of revenues over expenditures	(134,299)	(193,144)	(40,441)	152,703
Beginning cash balance budgeted	134,299	193,144	-	(193,144)
Fund balance at beginning of the year	-	-	<u>191,370</u>	<u>191,370</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	150,929	<u>\$ 150,929</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>1,189</u>	
			<u>\$ 152,118</u>	

STATE OF NEW MEXICO
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TITLE I SPECIAL REVENUE FUND - NO. 24101
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 722,529	\$ 818,825	\$ 604,971	\$ (213,854)
 Expenditures:				
Current:				
Instruction	533,019	461,123	343,627	117,496
Support Services:				
Students	125,201	232,879	232,752	127
Instruction	-	53,535	53,531	4
General Administration	<u>64,309</u>	<u>71,288</u>	<u>71,050</u>	<u>238</u>
Total expenditures	<u>722,529</u>	<u>818,825</u>	<u>700,960</u>	<u>117,865</u>
Excess (deficiency) of revenues over expenditures	-	-	(95,989)	(95,989)
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>	(95,989)	<u>\$ (95,989)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			95,467	
Change in payables			<u>522</u>	
			<u>\$ -</u>	

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DISCRETIONARY IDEA-B SPECIAL REVENUE FUND - NO. 24107
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	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>	

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PRESCHOOL IDEA-B SPECIAL REVENUE FUND - NO. 24109
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 42,670	\$ 52,951	\$ 21,596	\$ (31,355)
Expenditures:				
Current:				
Instruction	1,000	3,000	756	2,244
Support Services:				
Students	20,927	24,299	20,512	3,787
General Administration	<u>20,743</u>	<u>25,652</u>	<u>25,265</u>	<u>387</u>
Total expenditures	<u>42,670</u>	<u>52,951</u>	<u>46,533</u>	<u>6,418</u>
Excess (deficiency) of revenues over expenditures	-	-	(24,937)	(24,937)
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>	(24,937)	<u>\$ (24,937)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>24,937</u>	
			<u>\$ -</u>	

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IDEA-B CEIS SPECIAL REVENUE FUND - NO. 24112
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 64,583	\$ 42,678	\$ (21,905)
 Expenditures:				
Current:				
Support Services:				
Students	-	63,042	62,454	588
General Administration	-	1,541	1,541	-
Total expenditures	-	64,583	63,995	588
Excess (deficiency) of revenues over expenditures	-	-	(21,317)	(21,317)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(21,317)	<u>\$ (21,317)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>21,317</u>	
			<u>\$ -</u>	

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

EDUCATION OF HOMELESS SPECIAL REVENUE FUND - NO. 24113
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 9,000	\$ 28,895	\$ 15,680	\$ (13,215)
 Expenditures:				
Current:				
Support Services:				
Students	<u>9,000</u>	<u>28,895</u>	<u>17,000</u>	<u>11,895</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,320)	(1,320)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,320)	<u>\$ (1,320)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>1,320</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
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FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND - NO. 24118
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 58,240	\$ 56,540	\$ (1,700)
 Expenditures:				
Current:				
Food Services Operations	<u>-</u>	<u>58,240</u>	<u>56,493</u>	<u>1,747</u>
Excess of revenues over expenditures	-	-	47	47
 Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>918</u>	<u>918</u>
Net change in fund balance	-	-	965	965
 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>	965	<u>\$ 965</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(918)	
Change in payables			<u>(47)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
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COMPREHENSIVE SCHOOL REFORM SPECIAL REVENUE FUND - NO. 24135
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	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 V SPECIAL REVENUE FUND - NO. 24150
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
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 - NO. 24153
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 14,381	\$ 28,022	\$ 17,307	\$ (10,715)
Expenditures:				
Current:				
Instruction	14,381	27,697	11,579	16,118
Support Services:				
General Administration	<u> -</u>	<u> 325</u>	<u> 295</u>	<u> 30</u>
Total expenditures	<u>14,381</u>	<u>28,022</u>	<u>11,874</u>	<u>16,148</u>
Excess of revenues over expenditures	-	-	5,433	5,433
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>	5,433	<u>\$ 5,433</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			5,148	
Change in payables			<u>(10,581)</u>	
			<u>\$ -</u>	

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TEACHER/PRINCIPAL TRAINING SPECIAL REVENUE FUND - NO. 24154
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 153,947	\$ 219,043	\$ 169,142	\$ (49,901)
Expenditures:				
Current:				
Instruction	20,500	27,699	17,550	10,149
Support Services:				
Students	84,115	2,716	2,715	1
Instruction	-	95,015	95,015	-
General Administration	49,332	77,036	77,034	2
Central Services	-	16,577	16,577	-
Total expenditures	153,947	219,043	208,891	10,152
Excess (deficiency) of revenues over expenditures	-	-	(39,749)	(39,749)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(39,749)	\$ (39,749)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			37,991	
Change in payables			1,758	
			\$ -	

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

TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND - NO. 24157
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
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 I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND - NO. 24162
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				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 IMMIGRANT FUNDING SPECIAL REVENUE FUND - NO. 24163
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

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

ARRA - TITLE I SPECIAL REVENUE FUND - NO. 24201
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 101	\$ 31,788	\$ 31,687
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>101</u>	<u>101</u>	<u>-</u>
Excess of revenues over expenditures	-	-	31,687	31,687
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>	31,687	<u>\$ 31,687</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(31,687)</u>	
			<u>\$ -</u>	

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

ARRA - ENTITLEMENT IDEA-B SPECIAL REVENUE FUND - NO. 24206
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 71,770	\$ 71,770
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	71,770	71,770
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	71,770	<u>\$ 71,770</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(71,770)</u>	
			<u>\$ -</u>	

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

ARRA - PRESCHOOL IDEA-B SPECIAL REVENUE FUND - NO. 24209
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 607	\$ 607
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	607	607
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	607	<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

TITLE XIX MEDICAID SPECIAL REVENUE FUND - NO. 25153
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ 165,000	\$ 165,000	\$ 170,552	\$ 5,552
 Expenditures:				
Current:				
Instruction	-	20,000	2,863	17,137
Support Services:				
Students	164,400	273,000	169,585	103,415
Operation & Maintenance of Plant	<u>600</u>	<u>900</u>	<u>849</u>	<u>51</u>
Total expenditures	<u>165,000</u>	<u>293,900</u>	<u>173,297</u>	<u>120,603</u>
Excess (deficiency) of revenues over expenditures	-	(128,900)	(2,745)	126,155
Beginning cash balance budgeted	-	128,900	-	(128,900)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>128,106</u>	<u>128,106</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	125,361	<u>\$ 125,361</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(3,325)</u>	
			<u>\$ 122,036</u>	

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

ARRA - STATE REVITALIZATION SPECIAL REVENUE FUND - NO. 25250
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

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

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

EDUCATION JOBS SPECIAL REVENUE FUND - NO. 25255
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 9,094	\$ 9,094	\$ -
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>9,094</u>	<u>9,094</u>	<u>-</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

LANL FOUNDATION SPECIAL REVENUE FUND - NO. 26113
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>3,699</u>	<u>368</u>	<u>3,331</u>
Excess (deficiency) of revenues over expenditures	-	(3,699)	(368)	3,331
Beginning cash balance budgeted	-	3,699	-	(3,699)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,699</u>	<u>3,699</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,331	<u>\$ 3,331</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 3,331</u>	

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

WALLACE FOUNDATION SPECIAL REVENUE FUND - NO. 26125
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

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

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

DUAL CREDIT INSTRUCTIONAL MATATERIALS SPECIAL REVENUE FUND - NO. 27103

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 7,891	\$ 2,562	\$ (5,329)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>7,891</u>	<u>4,860</u>	<u>3,031</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,298)	(2,298)
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>	(2,298)	<u>\$ (2,298)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,298</u>	
			<u>\$ -</u>	

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

GO BOND LIBRARY SPECIAL REVENUE FUND - NO. 27105
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 7,746	\$ 7,746	\$ -
 Expenditures:				
Current:				
Support Services:				
Instruction	-	7,746	7,746	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ -	

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

LIBRARIES GO BOND 2010 SPECIAL REVENUE FUND - NO. 27106
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ 18,942	\$ 18,942	\$ 8,157	\$ (10,785)
 Expenditures:				
Current:				
Support Services:				
Instruction	<u>18,942</u>	<u>18,942</u>	<u>18,075</u>	<u>867</u>
Excess (deficiency) of revenues over expenditures	-	-	(9,918)	(9,918)
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>	(9,918)	<u>\$ (9,918)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>9,918</u>	
			<u>\$ -</u>	

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

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND - NO. 27117
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	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	-	-	13,305	13,305
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 - NO. 27138

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<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	-	-	388	388
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 - NO. 27154
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<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 - NO. 27155

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food Services Operations	<u>-</u>	<u>20,194</u>	<u>20,185</u>	<u>9</u>
Excess (deficiency) of revenues over expenditures	-	(20,194)	(20,185)	9
Beginning cash balance budgeted	-	20,194	-	(20,194)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>20,195</u>	<u>20,195</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	10	<u>\$ 10</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 10</u>	

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

LIBRARY BOOKS SPECIAL REVENUE FUND - NO. 27549
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

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

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

DAIRY MAX SPECIAL REVENUE FUND - NO. 29102
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ 4,000	\$ 8,936	\$ 4,936
Expenditures:				
Current:				
Instruction	-	1,352	-	1,352
Food Services Operations	-	6,571	5,842	729
Total expenditures	-	7,923	5,842	2,081
Excess (deficiency) of revenues over expenditures	-	(3,923)	3,094	7,017
Beginning cash balance budgeted	-	3,923	-	(3,923)
Fund balance at beginning of the year	-	-	3,924	3,924
Fund balance at end of the year	\$ -	\$ -	7,018	\$ 7,018
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 7,018	

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

CAPITAL PROJECTS FUNDS
Year Ended June 30, 2012

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 - 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.

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

BOND BUILDING CAPITAL PROJECTS FUND - NO. 31100
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Operation & Maintenance of Plant	790,300	1,606,374	885,994	720,380
Capital outlay:				
Equipment	52,000	86,121	-	86,121
Construction in progress	<u>3,060,835</u>	<u>2,941,208</u>	<u>2,110,388</u>	<u>830,820</u>
Total expenditures	<u>3,903,135</u>	<u>4,633,703</u>	<u>2,996,382</u>	<u>1,637,321</u>
Excess (deficiency) of revenues over expenditures	(3,903,135)	(4,633,703)	(2,996,382)	1,637,321
Beginning cash balance budgeted	3,903,135	4,633,703	-	(4,633,703)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>4,238,022</u>	<u>4,238,022</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,241,640	<u>\$ 1,241,640</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>201,529</u>	
			<u>\$ 1,443,169</u>	

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

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND - NO. 31400

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<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	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			148,440	
Change in payables			<u>(148,440)</u>	
			<u>\$ -</u>	

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

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND - NO. 31700
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 68,322	\$ -	\$ (68,322)
Local sources:				
District school tax levy	<u>910,789</u>	<u>910,789</u>	<u>988,386</u>	<u>77,597</u>
Total revenues	<u>910,789</u>	<u>979,111</u>	<u>988,386</u>	<u>9,275</u>
Expenditures:				
Current:				
Support Services:				
General Administration	10,010	10,010	9,884	126
Operation & Maintenance of Plant	1,005,870	1,118,678	933,569	185,109
Capital outlay:				
Equipment	23,000	8,500	3,185	5,315
Construction in progress	<u>101,809</u>	<u>204,809</u>	<u>111,031</u>	<u>93,778</u>
Total expenditures	<u>1,140,689</u>	<u>1,341,997</u>	<u>1,057,669</u>	<u>284,328</u>
Excess (deficiency) of revenues over expenditures	(229,900)	(362,886)	(69,283)	293,603
Beginning cash balance budgeted	229,900	362,886	-	(362,886)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>331,051</u>	<u>331,051</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	261,768	<u>\$ 261,768</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			68,332	
Change in property tax receivable			217,979	
Change in due from other governments			(9,713)	
Change in payables			60,487	
Change in deferred property taxes			<u>(208,327)</u>	
			<u>\$ 390,526</u>	

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

DEBT SERVICE FUND
Year Ended June 30, 2012

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 - NO. 41000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 4,130,462	\$ 4,130,462	\$ 4,386,807	\$ 256,345
Earnings from investments	-	-	634	634
Total revenues	<u>4,130,462</u>	<u>4,130,462</u>	<u>4,387,441</u>	<u>256,979</u>
Expenditures:				
Current:				
Support Services:				
General Administration	40,892	40,892	43,868	(2,976)
Debt service:				
Principal retirement	3,220,000	3,220,000	3,220,000	-
Bond interest paid	869,570	869,570	869,570	-
Reserves	<u>2,849,787</u>	<u>2,849,787</u>	-	<u>2,849,787</u>
Total expenditures	<u>6,980,249</u>	<u>6,980,249</u>	<u>4,133,438</u>	<u>2,846,811</u>
Excess (deficiency) of revenues over expenditures	(2,849,787)	(2,849,787)	254,003	3,103,790
Beginning cash balance budgeted	2,849,787	2,849,787	-	(2,849,787)
Fund balance at beginning of the year	-	-	<u>2,511,669</u>	<u>2,511,669</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,765,672	<u>\$ 2,765,672</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			987,213	
Change in due from other governments			(41,209)	
Change in deferred property taxes			<u>(943,778)</u>	
			<u>\$ 2,767,898</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, 2012

Activity		Balance				Balance
Fund	ASSETS	<u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2012</u>
23100	Mountain View Elementary School	\$ 12,829	\$ 14,498	\$ 16,884		\$ 10,443
23200	Moriarty Elementary School	16,901	13,469	12,090		18,280
23300	South Mountain Elementary School	12,136	9,924	15,552		6,508
23400	Moriarty Middle School	25,091	10,996	10,229		25,858
23500	Moriarty High School	119,056	309,922	315,261		113,717
23600	Edgewood Elementary School	17,067	8,247	13,383		11,931
23700	Route 66 Elementary School	26,942	17,161	23,375		20,728
23800	District Office	86,437	18,935	2,677		102,695
23900	Edgewood Middle School	<u>26,453</u>	<u>27,474</u>	<u>28,124</u>		<u>25,803</u>
	Pooled cash and investments	<u>\$ 342,912</u>	<u>\$ 430,626</u>	<u>\$ 437,575</u>		<u>\$ 335,963</u>
	LIABILITIES					
	Deposits held for others	<u>\$ 342,912</u>	<u>\$ 430,626</u>	<u>\$ 437,575</u>		<u>\$ 335,963</u>

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

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2012

	<u>Wells Fargo Bank</u>	<u>US Bank</u>	<u>Total</u>
Cash on deposit at June 30, 2012	\$ 5,126,885	\$ 2,624,563	\$ 7,751,448
Less FDIC coverage	<u>5,126,885</u>	<u>250,000</u>	<u>5,376,885</u>
Uninsured funds	<u>\$ -</u>	<u>\$ 2,374,563</u>	<u>\$ 2,374,563</u>
50% collateral requirement	\$ -	\$ 1,187,282	\$ 1,187,282
Pledged collateral	<u>-</u>	<u>2,503,112</u>	<u>2,503,112</u>
Excess (deficiency) of pledged collateral	<u>\$ -</u>	<u>\$ 1,315,830</u>	<u>\$ 1,315,830</u>

Pledged collateral of financial institutions consists of the following at June 30, 2012

<u>US Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
GNMA	12/20/2040	38377NUN2	\$ 276,537
GNMA	1/16/2038	38377UKA5	<u>2,226,575</u>
			<u>\$ 2,503,112</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, 2012

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 1,753,427	\$ 21,895,228	\$ (22,663,022)	\$ (355,781)	\$ 629,852	\$ -	\$ 629,852
Transportation	41	1,516,332	(1,516,306)	(21)	46	-	46
Instructional Materials	50,984	138,388	(162,981)	-	26,391	-	26,391
Food Services	295,206	1,322,724	(1,458,961)	-	158,969	-	158,969
Athletics	193,145	196,161	(236,603)	-	152,703	-	152,703
Federal Flowthrough Funds	7,163	1,650,729	(2,000,401)	343,564	1,055	-	1,055
Federal Direct Funds	128,901	170,552	(173,298)	-	126,155	-	126,155
Local Grants	3,926	-	(368)	-	3,558	-	3,558
State Flowthrough Funds	38,099	18,464	(50,865)	12,217	17,915	-	17,915
Local/State	3,924	8,936	(5,842)	-	7,018	-	7,018
Bond Building	4,633,703	-	(2,996,382)	-	1,637,321	-	1,637,321
Capital Improvements SB-9	362,876	988,387	(1,057,669)	-	293,594	-	293,594
Debt Service	2,370,559	4,387,442	(4,133,438)	-	2,624,563	-	2,624,563
Agency Funds	-	-	-	-	-	335,963	335,963
Total	<u>\$ 9,841,954</u>	<u>\$ 32,293,343</u>	<u>\$ (36,456,136)</u>	<u>\$ (21)</u>	<u>\$ 5,679,140</u>	<u>\$ 335,963</u>	<u>\$ 6,015,103</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking - Non-Interest	Wells Fargo	\$ 5,126,885	Adjustments to report:	
Debt Service	Checking - Interest	First Community	2,624,563	Agency funds	<u>\$ 335,963</u>
Payroll	Checking - Non-Interest	Wells Fargo	-	Adjustments to cash:	
			<u>\$ 7,751,448</u>	Bank Balance	\$ 7,751,448
				Cash on hand	-
				Outstanding deposits	-
				Outstanding checks	<u>(1,736,345)</u>
				Total adjustment to cash	<u>\$ 6,015,103</u>

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, 2012, and have issued our report thereon dated August 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of 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. Findings 2012-01 and 2012-02. 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.

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 2012 – 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 29, 2012
Farmington, NM

**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 June 2012) 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, 2012. 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, 2012.

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.

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

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

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

This report is intended solely for the information and use of management, others within the Moriarty-Edgewood School District No. 8, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



August 29, 2012
Farmington, NM

STATE OF NEW MEXICO
MORIARTY-EDGEWOOD SCHOOL DISTRICT NO. 8
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2012

A. PRIOR YEAR AUDIT FINDINGS

NOT RESOLVED

No audit findings to report.

RESOLVED

2011 – 1 MISSING BACKGROUND CHECKS

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, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Moriarty-Edgewood School District No. 8.
2. There were two significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. None of the significant deficiencies were considered to be material weaknesses.
3. There were no instances of noncompliance material to the financial statements of Moriarty-Edgewood School District No. 8 disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Moriarty-Edgewood School District No. 8 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Moriarty-Edgewood School District No. 8 that are required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include:
 - Title I, Part A Cluster CFDA# 10.010 and 84.389; and
 - Special Education (IDEA) Cluster CFDA# 84.027 and 84.173
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Moriarty-Edgewood School District No. 8 was 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, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2012 – 1 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>
Yes	No

<u>Internal Control?</u>	<u>Compliance?</u>	<u>Other Matter?</u>
Yes	No	Yes

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

Debt Service Fund	Support Services - Gen Admin	\$ 2,976
-------------------	------------------------------	----------

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

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

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

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

Management's response: The District will submit a PED BAR in December to forecast the overage for the 1% fees for the 2-Mill Tax Levy receipts that are received after the PED BAR deadline in June.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2012 – 2 FEDERAL TAX PAYMENT NOT MADE TIMELY

<u>Significant Deficiency?</u>	<u>Material Weakness?</u>	<u>Internal Control?</u>	<u>Compliance?</u>	<u>Other Matter?</u>
Yes	No	Yes	No	No
<i>Condition:</i> The payment of employee federal tax withholdings and employer tax payments due July 2, 2012 were not received by the Internal Revenue Service until July 12, 2012 resulting in a penalty of \$4,393.				
<i>Criteria:</i> Employee federal tax withholdings and employer federal tax payments are required to be paid within a specified time after a payroll has been made in accordance with the Internal Revenue Service Circular E.				
<i>Effect of condition:</i> The District did not comply with the IRS requirements which resulted in an obligation of public monies that was not approved or budgeted.				
<i>Cause:</i> There were three payments to be made to the IRS for a single pay period which only one was made with the other two payments being inadvertently unpaid.				
<i>Recommendation:</i> The District should implement a monitoring system to ensure that all employee withholding remittances are made timely.				
<i>Management's Response:</i> The District Business Manager will verify all tax payments are accurate and have the correct amounts prior to the tax payments being sent ACH to the IRS.				

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

<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		\$ <u>62,001</u>
Pass-Through Program From:				
New Mexico Department of Education:				
Child Nutrition Cluster:				
USDA National School Lunch Program	10.555	21000	338,304	
USDA School Breakfast Program	10.553	21000	<u>541,460</u>	
Total Child Nutrition Cluster				879,764
Fresh Fruits and Vegetables	10.582	24118		56,493
Pass-Through Program From:				
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		<u>77,066</u>
Subtotal Pass-Through Programs				<u>1,013,323</u>
Total U.S. Department of Agriculture				<u>1,075,324</u>
U.S. Department of Defense:				
Pass-Through Program From:				
National Guard Military Projects	12.401	11000		\$ 57,803

(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, 2012

Federal Grantor/Pass - Through <u>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.S. Department of Education (continued):				
Pass-Through Programs From:				
New Mexico Department of Education:				
Special Education (IDEA) Cluster:				
Entitlement IDEA-B	84.027	24106	\$ 895,386	
Preschool IDEA-B	84.173	24109	46,533	
IDEA-B CEIS	84.027	24112	<u>63,995</u>	
Total Special Education (IDEA) Cluster				1,005,914
Title I, Part A Cluster:				
Title I	84.010	24101	700,439	
ARRA - Title I	84.389	24201	<u>101</u>	
Total Title I, Part A Cluster:				700,540
Education of Homeless	84.196	24113		17,000
Title III English Language	84.365	24153		22,455
Teacher/Principal Training	84.367	24154		207,133
Education Jobs	84.410	25255		<u>9,094</u>
Subtotal Pass-Through Programs				<u>1,962,136</u>
Total U.S. Department of Education				<u>1,962,136</u>
U.S. Department of Health and Human Services:				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		176,622
Total Expenditures of Federal Awards				<u>\$ 3,271,885</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, 2012

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 June 2012 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 2012 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 52% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$3,194,819 and all non-cash expenditures amounted to \$77,066.

Major Federal Award Program Description	Fiscal 2012 <u>Expenditure</u>
Cash assistance:	
Title I, Part A Cluster	\$ 700,540
Special Education (IDEA) Cluster	<u>1,005,914</u>
Total	<u>\$ 1,706,454</u>

The School District did not have any federal programs that were considered high risk Type A programs for the 2012 audit.

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

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, 2012. 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 2012.

REQUIRED DISCLOSURE

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

REQUIRED DISCLOSURES
Year Ended June 30, 2012

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held August 29, 2012, 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
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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