

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
Independent Auditors' Report and
Annual Financial Statements
June 30, 2012

Calhoon Accounting & Tax Services
PO Box 945
Estancia, New Mexico

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Table of Contents
June 30, 2012

INTRODUCTORY SECTION

Table of Contents	1
Official Roster	5

FINANCIAL SECTION

Independent Auditors Report	9
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual:	
Operational Fund	31
Transportation Fund	33
Instructional Materials	35
Statement of Fiduciary Assets and Liabilities - Agency Funds	37
Notes to the Financial Statements	39

SUPPLEMENTARY INFORMATION SECTION

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet -Nonmajor Governmental Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	64
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual:	
Special Revenue Funds:	
Food Service	77
Athletics	78
Board Activity	79
Title I Basic	80
IDEA-B Entitlement	81
IDEA-B Preschool	82
Fresh Fruits & Vegetables	83
EETT	84
Title V-A	85
Teacher/Principal Training and Recruitment	86
Title IV-A	87
Title I Stimulus	88

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Table of Contents (continued)
June 30, 2012

IDEA-B Stimulus	89
Preschool Stimulus	90
Medicaid	91
CYFD Summer Lunch	92
Underage Drinking	93
Rural Education Achievement Program	94
Operational Stimulus II	95
Dual Credit Instructional Materials	96
GO Student Library Bonds	97
GO Bond Senate Bill 1, Laws of 2010	98
Incentives for School Improvements	99
GO Bond	100
Breakfast for Elementary Students	101
Schools on the Rise	102
NMYCC	103
NM Arts Grant	104
CATCH Program	105
EF & RE Bond Act	106
School-Based Health Center	107
Capital Projects Funds:	
Bond Building	111
Capital Improvements SB-9	11.2
Debt Service Fund	113
Statement of Changes in Assets and Liabilities Agency Funds	115
Schedule of Expenditures of Federal Awards	117

SUPPORTING SCHEDULES

Schedule of Cash Reconciliations	122
Schedule of Pledged Collateral	127
Schedule of Joint Powers Agreement	129

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	133
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	137
Schedule of Findings and Questioned Costs	141
Summary Schedule of Prior Year Audit Findings	145

OTHER DISCLOSURES	147
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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Official Roster
As Of
June 30, 2012

BOARD OF EDUCATION

<u>NAME</u>	<u>TITLE</u>
Darrell Roberts	President
Eric Anaya	Vice President
Gabe Chavez	Secretary
Frances Gonzales	Member
P. J. Lovato	Member

SCHOOL OFFICIALS

<u>NAME</u>	<u>POSITION</u>
Jay Mortensen	Superintendent
Tammy Zamora	Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
State of New Mexico-Mountainair Public Schools
Mountainair, New Mexico

and

Mr. Hector H. Balderas, State Auditor
New Mexico State Auditor
Santa Fe, New Mexico

I 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 funds of the State of New Mexico, Mountainair Public Schools (District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. I have also audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the Bond Building fund, Capital Improvements SB-9 fund, and Debt Service fund and all remaining nonmajor governmental 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 District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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. I believe that my audit provides a reasonable basis for my opinions.

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In my 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 Mountainair Public Schools, 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 funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major bond building fund, capital improvements SB-9 fund, and debt service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated November 13, 2012, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

My audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the 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 Organization*, and is 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 my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Calhoun Accounting & Tax Services
Calhoun Accounting & Tax Services

November 13, 2012

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**BASIC
FINANCIAL STATEMENTS**

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Net Assets
As of June 30, 2012

	Governmental Activities
Assets	
Current Assets	
Cash and investments	\$ 962,749
Property tax receivable	19,877
Due from other governmental units	270,370
Inventory	<u>2,148</u>
Total current assets	1,255,144
Noncurrent Assets	
Capital assets	11,551,521
Less: accumulated depreciation	<u>(4,224,138)</u>
Total capital assets less depreciation	7,327,383
Bond issuance costs, net of accumulated amortization of \$37,164	<u>53,815</u>
Total noncurrent assets	<u>7,381,198</u>
Total assets	<u><u>\$ 8,636,342</u></u>
Liabilities and Net Assets	
Current Liabilities	
Deferred revenue-grants	65,272
Current portion of long-term obligations	<u>371,687</u>
Total current liabilities	436,959
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	<u>1,313,666</u>
Total long-term liabilities	<u>1,313,666</u>
Total liabilities	<u>1,750,625</u>
Net Assets	
Invested in capital assets, net of related debt	5,634,100
Restricted for:	
Debt service	250,785
Special projects	157,730
Capital projects	376,397
Unrestricted	<u>466,705</u>
Total fund balances	<u>6,885,717</u>
Total liabilities and net assets	<u><u>\$ 8,636,342</u></u>

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	<u>Expenses</u>
Government activities:	
Instruction:	
Direct instruction	2,300,966
Support services:	
Students	351,440
Instruction	150,577
General administration	213,742
School administration	270,906
Central services	73,061
Operation & maintenance of plant	560,016
Student transportation	294,673
Other support services	2,312
Food services	164,602
Capital outlay	
Interest on long-term debt	<u>53,212</u>
Total governmental activities	<u><u>4,435,507</u></u>

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

Charges for Service	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets
	Operating Grants and Contributions	Capital Grants and Contributions	
\$16,769	\$ 490,415	\$ 26,336	\$ (1,767,446)
			(351,440)
			(150,577)
			(213,742)
			(270,906)
			(73,061)
			(560,016)
	290,899		(3,774)
			(2,312)
9,902	137,874		(16,826)
			(53,212)
<u>\$ 26,671</u>	<u>\$ 919,188</u>	<u>\$ 26,336</u>	<u>(3,463,312)</u>

General

Revenues: Taxes:

Property taxes, levied for general purpose	24,486
Property taxes, levied for debt service	296,649
Property taxes, levied for capital projects	106,666
State equalization guarantee	3,239,955
Interest and investment earnings	<u>2,579</u>
Total general revenues	<u>3,670,335</u>
Change in net assets	207,023
Beginning net assets	<u>6,678,694</u>
Ending net assets	<u>\$ 6,885,717</u>

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Balance Sheet - Governmental Funds
 As of June 30, 2012

	General Fund		
	Operational	Transportation	Instructional Materials
Assets			
Current Assets			
Cash and investments	\$ 231,760	\$ 165	\$ 5,046
Tax receivables	1,158		
Due from grantor			
Due from other funds			
Inventory			
Total assets	232,918	\$ 165	\$ 5,046
 Liabilities and Fund Balance			
Liabilities			
Due to other funds		\$	\$
Deferred revenue - grants			
Total liabilities			
 Fund balance			
Non-spendable			
Restricted for:			
General Fund			
Special Revenue Funds			
Capital Projects			
Debt service			
Committed for:			
General Fund			
Special Revenue Funds			
Capital Projects			
Assigned for:			
General Fund			
Special Revenue Funds			
Capital Projects			
Unassigned for:			
General Fund	232,918	165	5,046
Total fund balance	232,918	165	5,046
Total liabilities and fund balance	232,918	\$ 165	\$ 5,046

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Balance Sheet - Governmental Funds
 As of June 30, 2012

	Title I	IDEA B- Entitlement	EE & ER Bonding Act
Assets			
Current Assets			
Cash and investments			\$ 155,582
Tax receivables			
Due from grantor	130,938	71,070	
Due from other funds			
Inventory			
Total assets	130,938	\$ 71,070	\$ 155,582
 Liabilities and Fund Balance			
Liabilities			
Due to other funds	\$ 130,938	\$ 71,070	\$
Deferred revenue - grants			
Total liabilities	130,938	71,070	
 Fund balance			
Non-spendable			
Restricted for:			
General Fund			
Special Revenue Funds			155,582
Capital Projects			
Debt service			
Committed for:			
General Fund			
Special Revenue Funds			
Capital Projects			
Assigned for:			
General Fund			
Special Revenue Funds			
Capital Projects			
Unassigned for:			
General Fund			
Total fund balance	130,938	71,070	155,582
Total liabilities and fund balance	\$ 130,938	\$ 71,070	\$ 155,582

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Balance Sheet - Governmental Funds
As of June 30, 2012

Capital Improvements SII-9	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
36,557	\$ 237,011	\$ 296,628	\$ 962,749
4,945	13,774	-	19,877
-		68,362	270,370
270,370		-	270,370
-		2,148	2,148
<u>311,872</u>	<u>\$ 250,785</u>	<u>\$ 367,138</u>	<u>\$ 1,525,514</u>
	S	68,362	\$ 270,370
		65,272	65,272
		<u>133,634</u>	<u>335,642</u>
		2,148	157,730
311,872		64,525	376,397
	250,785		250,785
		<u>166,831</u>	<u>404,960</u>
<u>311,872</u>	<u>250,785</u>	<u>233,504</u>	<u>1,189,872</u>
<u>311,872</u>	<u>\$ 250,785</u>	<u>\$ 367,138</u>	<u>\$ 1,525,514</u>

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Reconciliation of the Balance Sheet - Governmental Funds
To the Statement of Net Assets
As of June 30, 2012

Total fund balances - governmental funds	\$	1,189,872
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	\$ 11,551,521	
	(4,224,138)	7,327,383

Bond issuance costs are expensed for fund financial statements but amortized for government-wide financial statements. Bond issuance costs net of accumulated amortization.		53,815
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Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bonds payable	(1,683,668)	
Compensated absences payable	(1,685)	(1,685,353)

Total net assets-governmental activities	\$	<u>6,885,717</u>
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The accompanying notes are an integral part of these financial statements.

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General Fund		
	Operational	Transportation	Instructional Materials
Revenues:			
Local taxes	\$ 25,125	\$	
Local sources	14,076		7
State sources	3,239,955	290,899	12,297
Federal sources	5,553		
Interest	2,518		
Total Revenues	<u>3,287,227</u>	<u>290,899</u>	<u>12,304</u>
Expenditures:			
Current			
Instruction	1,636,651		
Support services-students	298,771		
Support services-instruction	145,426		
Support services-general administration	209,709		
Support services-school administration	270,906		
Central services	73,061		
Operation and maintenance of plant	510,401		
Student transportation	3,939	290,734	
Other support services	2,310		
Food services operations			
Capital outlay			9,506
Debt service-principal			
Debt service-interest			
Total expenditures	<u>3,151,174</u>	<u>290,734</u>	<u>9,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>136,053</u>	<u>165</u>	<u>2,798</u>
Other financing sources (uses):			
Due To/From			
Total other financing sources (uses)			
Net change in fund balances	136,053	165	2,798
Fund balances - beginning of year	<u>96,865</u>		<u>2,248</u>
Fund balances - end of year	<u>\$ 232,918</u>	<u>\$ 165</u>	<u>5,046</u>

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	Title I	IDEA - B Entitlement	EE & ER Bonding Act
Revenues:			
Local taxes		\$ -	\$
Local sources		19	
State sources			363,668
Federal sources	188,855	102,188	
Interest			
Total Revenues	188,855	102,207	363,668
Expenditures:			
Current			
Instruction	187,378	92,109	
Support services-students		10,098	
Support services-instruction	1,477		
Support services-general administration			
Support services-school administration			
Central services			
Operation and maintenance of plant			5,374
Student transportation			
Other support services			
Food services operations			
Capital outlay			202,712
Debt service-principal			
Debt service-interest			
Total expenditures	188,855	102,207	208,086
Excess (deficiency) of revenues over (under) expenditures			155,582
Other financing sources (uses):			
Due To/From			
Total other financing sources (uses)			
Net change in fund balances			155,582
Fund balances - beginning of year			
Fund balances - end of year			\$ 155,582

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

Capital Improvements SB-9	Debt Service	Other Governmental Funds	Total Governmental Funds
	\$	\$	25,125
109,248	303,769	38,039	465,158
26,336		58,778	3,991,933
		221,364	517,960
	10	51	2,579
135,584	303,779	318,232	5,002,755
		73,829	1,989,967
		42,571	351,440
		3,675	150,578
1,067	2,966		213,742
			270,906
			73,061
12,001		37,614	565,390
		4,493	299,166
			2,310
22,891		161,329	161,329
		276,176	511,285
	220,000		220,000
	53,212		53,212
35,959	276,178	599,687	4,862,386
99,625	27,601	(281,455)	140,369
99,625	27,601	(281,455)	140,369
212,247	223,184	174,258	708,802
311,872	\$ 250,785	\$ (107,197)	\$ 849,171

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances-Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds. \$ 140,369

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	(306,762)
Capital outlays during the year which were capitalized	511,285

In the Statement of Activities, certain operating expenses - compensated absences payable - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	6,245
------------------------------	-------

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.

220,000

Because some property taxes will not be collected for several months after the fiscal year end, they are not considered available revenues in the governmental funds, and are instead counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. The change in the liability for the year was:

(363,668)

Bond insurance costs are an expenditure in the governmental funds but are amortized in the government-wide financial statements

5,373

Current year amortization

(5,819)

Change in net assets of governmental activities

207,023

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures - Budget (Non-GAAP Budgetary Basis) and Actual
Operational Account - 11000
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 23,892	\$ 23,892	\$ 24,486	\$ 594
Local and county sources	6,100	6,100	14,076	7,976
State sources	3,227,742	3,239,430	3,239,955	525
Federal sources	5,848	5,848	5,553	(295)
Interest	3,600	3,600	2,518	(1,082)
Total revenues	3,267,182	3,278,870	3,286,588	7,718
Expenditures:				
Current				
Instruction	1,817,928	1,737,585	1,636,651	100,934
Support services-students	322,760	309,078	298,771	10,307
Support services-instruction	151,318	152,757	145,426	7,331
Support services-general administration	216,587	211,587	209,709	1,878
Support services-school administration	264,710	270,953	270,906	47
Central services	95,050	76,362	73,061	3,301
Operation and maintenance of plant	582,857	594,945	510,401	84,544
Student transportation	12,500	12,500	3,939	8,561
Other support services	9,590	9,590	2,312	7,278
Food services operations				
Capital outlay				
Debt Service:				
Principal			-	
Interest	-	-		
Total expenditures	3,473,300	3,375,357	3,151,176	224,181
Excess (deficiency) of revenues over (under) expenditures	(206,118)	(96,487)	135,412	231,899
Other financing sources (uses):				
Due from Other Funds			25,447	25,447
Proceeds from bonds				
Designated cash	7,139	7,139		(7,139)
Total other financing sources (uses)	7,139	7,139	25,447	18,308
Net change in fund balances			160,859	
Cash balances - beginning of year			70,900	
Cash balances - end of year			\$ 231,760	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 160,859	
Adjustment to revenue for accruals and other deferrals			641	
Adjustment to expenditures for payables, prepaids and other accruals			(25,447)	
Net changes in fund balance (GAAP basis)			\$ 136,053	

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures - Budget (Non-GAAP Budgetary Basis) and Actual
Transportation Fund - 13000
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	262,621	290,734	290,899	165
Federal sources				
Interest				
Total Revenues	262,621	290,734	290,899	165
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation	262,621	290,734	290,734	
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	262,621	290,734	290,734	
Excess (deficiency) of revenues over (under) expenditures			165	165
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash		2,642		(2,642)
Total other financing sources (uses)		2,642		(2,642)
Net change in fund balances			165	
Cash balances - beginning of year				
Cash balances - end of year			\$ 165	\$
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals			\$ 165	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$ 165	

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures - Budget (Non-GAAP Budgetary Basis) and Actual
Instructional Materials Fund - 14000
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (13nfavorable)
Revenues:				
Local and county sources			7	\$ 7
State sources	10,669	12,021	12,297	276
Federal sources				
Interest				
Total Revenues	10,669	12,021	12,304	283
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction	11,156	12,508	9,506	3,002
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	11,156	12,508	9,506	3,002
Excess (deficiency) of revenues over (under) expenditures	(487)	(487)	2,798	3,285
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash	1,750	1,750		(1,750)
Total other financing sources (uses)	1,750	1,750		(1,750)
Net change in fund balances			2,798	
Cash balances - beginning of year			2,248	
Cash balances - end of year	\$		\$ 5,046	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 2,798	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$ 2,798	

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2012

Assets	
Current Assets	
Cash	<u>35,366</u>
Total assets	<u><u>35,366</u></u>
Liabilities	
Current Liabilities	
Deposits held for others	<u>\$ 35,366</u>
Total liabilities	<u><u>35,366</u></u>

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Mountainair Public Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

Reporting Entity

The Mountainair Public School Board was created under the provision of Section 22-5-4 (NMSA, 1978 Comp.) to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The Board selects a superintendent who administers the District.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or changes, and issue bonded debt. The District also has no *component units*, as defined by GASB Statement No. 14 as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

Basic Financial Statements — GASB Statement #34

The basic financial statements include both government-wide (based on the District as a whole) and fund financial Statements. The new reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District did not have any business-type activities during the year ended June 30, 2012.

Since the District does not have any business-type activities, but only governmental activities, the District's policy is not to apply any FASB pronouncements issued after November 30, 1989 in its government-wide financial statements, but only those issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide Statement of Activities reflects both the gross and net cost per functional category. The District reports one function (education). The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous mode did not summarize or present net cost by function or activity. The District does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the District as an entity and in aggregate financial position resulting from the activities of the current fiscal period.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in either the governmental or business-type categories. Nonmajor funds (by category) are summarized into a single column.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Districts actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2012 have been eliminated. These consist of amounts titled "Due from other funds" and "Due to other funds" in the fund financial statements.

The District's fiduciary funds (agency funds) are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. If the District had any component units similar to fiduciary funds, they would not be incorporated into the government-wide financial statements.

Basis of Presentation

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The government reports the following major governmental funds:

Operational Fund - the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

Transportation Fund — used to account for the state equalization received from the State Public Education Department which is used to pay for the costs associated with transporting school age children.

Instructional Materials Fund used to account for the monies received from the State Public Education Department for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

Capital Improvements SB-9 Capital Projects Fund used to account for the revenue derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Debt service funds- 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:

Fiduciary Funds used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The Government-wide Financial Statements and the Fiduciary Fund Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrual Basis - Under the accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when incurred.

Modified Accrual - All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all property tax revenues available if they are collected within 60 days of year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Property taxes are recognized when levied. Reimbursement receivables are recognized when the related expenditures are incurred. Other receipts and taxes become measurable and available when cash is received by the District and are recognized as revenue at that time.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

Budgets and Budgetary Accounting

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

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

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

Prior to April 15, (unless a later date is fixed by the Secretary of the Public Education Department) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the school district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. AJI budgets submitted to the Public Education Department by the school district shall contain headings and details as prescribed by law.

Prior to June 20, of each year, the proposed operating budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

The operating budget will be used by the District until it has been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
2. No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.
3. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
4. Legal budget control for expenditures is by function.
5. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and any amendments.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end and are therefore not included as a reservation of fund balance. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Assets, Liabilities and Fund Equity I.

Cash

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

2. Investments

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

Bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding; or

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

In contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor.

The District may invest its money with the New Mexico State Treasurer's short-term investment pool. Such money will not be invested in the State Treasurer's short-term investment pool for a period greater than 181 days.

The District may invest funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The Pool's investments are U.S. term overnight repurchase agreements. Interest rates fluctuate depending upon the investments in the Pool.

3. Accounts Receivables and Payables

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, changes the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Torrance County. The funds are collected by the County Treasurers and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2012 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2012.

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

4. Inventories

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Services Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. *Capital Assets*

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation. Software which meets the capitalization requirement is also capitalized. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The District does not capitalize interest in regards to its capital assets. Library books have been capitalized and are depreciated as a group.

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

Land improvements	20 years
Buildings & building improvements	40 years
Machinery and equipment, including	
Computer equipment and software	3-10 years
Autos and vehicles	10 years
Library books	10 years

GASB Statement #34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30, 2012.

6. *Deferred Revenues*

The District reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

7. *Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net assets.

8. *Long-term Liabilities*

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

9. Fund Balances of Fund Financial Statements

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the year end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

10. Restricted Net Assets

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

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; imposed by law through constitutional provisions or enabling legislation.

The Invested in Capital Assets, net of related debt consists of the portion of net assets which is associated with non-liquid capital assets less any outstanding related debt.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

11. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

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

12. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Bond Issuance Costs

The costs of issuing bonds are capitalized in the government-wide financial statements and are amortized over the life of the related general obligation bonds payable.

14. Property Taxes

Property taxes are recognized when levied. Derived tax revenues are recognized when the exchange transaction takes place. Property tax and interest revenue are susceptible to accrual. Gross receipt taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. These are generally received within 60 days of year end. Other receipts and taxes become measurable and available when cash is received by the District and are recognized as revenue at that time.

The County property tax bills must be mailed by November 1st, the first half of the assessed tax is due November 10th, and becomes delinquent December 10th, the second half of the assessed tax becomes due April 10th, and becomes delinquent May 10th. The applicable property is subject to lien and penalties and interest are assessed when property taxes become delinquent. When property taxes are delinquent three years, the property is transferred to the State Property Tax Department for public sale.

NOTE 2. CASH AND INVESTMENTS

Pledged Collateral Requirement

The District deposits its funds with various financial institutions. The District may invest in U.S. Treasury obligations but did not during the year ended June 30, 2012. New Mexico statute Section 6-10-17, 1978, provides that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution. A schedule detailing the collateral pledged to the District's deposits is located in the back of this report.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned. The District's policy is to comply with Section 6-10-17, NMSA 1978. As of June 30, 2012, the District was over insured and collateralized by \$96,836.

Investments

Investments are cash deposited into savings accounts. These amounts are considered equivalent to cash.

Summary of Cash and Investments

Cash and investments are reported in each fund if the fund has a positive balance. If the fund has a negative balance, the negative balance is reported as a due from/ due to between the fund which loaned the monies and the fund which borrowed the monies.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 2. CASH AND INVESTMENTS (continued)

A reconciliation of cash and investments follows:

Total cash and investments on deposit, all financial institutions	\$1,425,967
Less: Outstanding checks and warrants	<u>(427,853)</u>
 Total cash	 <u>\$ 998,114</u>
Per financial statements:	
All government funds	\$ 962,749
Agency Funds	<u>35,365</u>
 Total	 <u>\$ 998,114</u>

NOTE 3. DUE FROM/ DUE TO BALANCES

As of June 30, 2012, several funds had borrowed from the Bond Building Capital Projects Fund and the operational Fund in order to avoid negative cash balances.

	Due From Other Funds	Due To Other Funds
Major fund:		
Capital Improvement SB-9 Non-Major Special Revenue	\$ 270,370	
Fund Total	\$ 270,370	\$ 270,370

These balances have been eliminated during the preparation of the government-wide financial statements.

NOTE 4. INVENTORY

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of expendable supplies held for consumption. The cost is recorded as expenditures at the time individual inventory items are purchased. The reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

Inventories at June 30, 2012, consisted of the following:

Special Revenue Fund:	
Food Service	\$2,148

NOTE 5. RECEIVABLES

Receivables at June 30, 2012, consisted of the following:

	General	Debt Service SB-9		Other Governmental Funds
Prop. Taxes receivable	\$ 1,158	\$ 13,774	\$ 4,945	\$ -0-
Due from grantor		-0-	-0-	\$ 270,370
Total	\$25,965	\$ 6,654	\$ 2,363	\$ 270,370

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 5. RECEIVABLES (continued)

Property taxes receivable are shown net of an allowance for uncollectible taxes of 10% of outstanding property taxes at year end. All other amounts are considered to be fully collectible. Property taxes not received within 60 days of the fiscal year end are shown as deferred property taxes in the fund financial statements.

NOTE 6. CAPITAL ASSETS

For the year ended June 30, 2012 depreciation expense of \$290,819 was charged to the Governmental Activities-Education of the District. Land assets, totaling \$57,583 were not charged with depreciation in accordance with accounting principles generally accepted in the United States of America.

The District's capital assets were as follows for the year ended June 30, 2012:

	June 30, 2011 Balance	Additions	Deletions	June 30, 2012 Balance
Assets not being depreciated:				
Land	\$ 57,583		\$	\$ 57,583
Construction-in progress				
Total assets not being depreciated	57,583			57,583
Assets being depreciated:				
Land improvements	786,843	11,937		798,780
Buildings and improvements	8,804,315	478,888		9,283,203
Machinery and equipment	1,040,410	10,954	63,330	988,034
Library books	414,415	9,506		423,921
Total assets being Depreciated	11,045,983	511,285	63,330	11,493,938
Total assets	11,103,566	511,285	63,330	11,551,521
Less accumulated depreciation:				
Land improvements	(195,475)	(39,342)		(234,817)
Buildings and improvements	(2,658,404)	(208,029)		(2,866,433)
Machinery and equipment	(797,965)	(46,897)	(63,330)	(781,532)
Library books	(328,862)	(12,494)	-	(341,356)
Total accumulated depreciation	(3,980,706)	(306,762)	(63,330)	(4,224,138)
Total	<u>\$ 7,122,860</u>	<u>\$ 204,523</u>	<u>\$(63,330)</u>	<u>\$ 7,327,383</u>

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 7. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities:

During the year ended June 30, 2012, the following changes occurred in the liabilities reported in the government-wide Statement of Net Assets:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Balance Within One Year	Amounts considered Long-Term
Bonds payable	\$ 1,540,000	\$363,668	\$(220,000)	\$1,683,668	\$370,002	\$ 1,313,666
Compensated Absences payable	7,930	3,965	(10,210)	1,685	1,685	
Total		\$367,633	\$(23,020)	<u>\$1,685,353</u>	<u>\$ 371,687</u>	<u>\$ 1,313,666</u>

General obligation bonds are repaid with property taxes which are collected by the Debt Service Fund.

In prior years, the General Fund has been used to pay accrued compensated absences and will likely continue to do so.

B. General Obligation Bonds

General obligation bonds, authorized by the voters of the District, are issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds. The following is a list of bonds issued and outstanding at June 30, 2012

Interest expenditures included in direct expenses for the year ended June 30, 2012 were \$53,212.

NOTE 8. CONTINGENT LIABILITIES

Amounts received or receivable from grantor 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 which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

NOTE 9. INSURANCE COVERAGE

The District is insured through the New Mexico Public School Insurance Authority. Coverage provided includes all-peril on buildings and contents; crime coverage; general liability; civil rights and personal injury; motor vehicle and fleet property damage and liability; school bus property damage and liability coverage; and statutory workmen's compensation coverage. The crime coverage portion of this insurance includes employee fidelity/faithful performance coverage up to \$250,000 each occurrence.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

NOTE 10. BUDGET TO GAAP RECONCILIATION

The Statements of Revenues and Expenditures — Budget (Non-GAAP Budgetary Basis) and Actual (Non-GAAP Budgetary Basis) present budget comparisons using cash basis revenues and expenditures, while the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds utilizes the modified accrual basis of accounting.

NOTE 11. EDUCATION RETIREMENT BOARD (ERB) PENSION 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 ERB is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges, and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available of ERB's website at www.nmerb.com.

Funding Policy. Effective July 1, 2012 the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of the plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2012, 2011, and 2010, were \$202,354, \$281,937, \$282,704, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. POST-EMPLOYEMENT BENEFITS-STATE RETIREE HEALTH CARE PLAN

Plan description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment 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 MCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that indicates financial statements and required supplementary information for the post employment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 7308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Notes To The Financial Statements
June 30, 2012

**NOTE 12. POST-EMPLOYEMENT BENEFITS-STATE RETIREE HEALTH CARE PLAN
(continued)**

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars of 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.nmncca.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 year ended June 30, 2012, the statute requires each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal years ending June 30, 2013, the contribution rate for employees and employers will rise to 2.000% and 1.000% respectively.

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

The District's contributions to the RHCA for the years ended June 30, 2012, 2011, and 2010 were \$38,140, \$37,661, and \$32,300 respectively, which equal the required contributions for each year.

NOTE 13. JOINT VENTURE

Mountainair Public Schools is a member of Central Region Educational Cooperative, which was established by the New Mexico State Board of Education. This REC operates as an agency for school districts and provides cooperative services as its primary service. The REC administers several federal award programs for municipal schools. Central Region Educational Cooperative issues a separate, publicly available audited financial report that includes expenditures of federal awards and supplementary information. That report may be obtained by writing Central Region Educational Cooperative, P.O. Box 37440, Albuquerque, NM 87176.

SUPPLEMENTARY INFORMATION
SECTION

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	21000	22000	23000	24109
	Food Service	Athletics	Board Activity	IDEA - B Preschool
Assets				
Cash and investments	65,187	\$ 94	\$ 15,271	\$
Inventory	2,148			
Due from grantor				4,510
Total assets	\$ 67,335	\$ 94	\$ 15,271	\$ 4,510
 Liabilities and Fund Equity				
Liabilities				
Due to other funds				4,510
Accounts payable				
Deferred revenues - grants				
Total liabilities				4,510
 Fund balance				
Designated for capital outlay				
Designated for subsequent year's expenditures	2,148			
Undesignated	65,187	94	15,271	
Total fund balance	67,335	94	15,271	
Total liabilities and fund equity	\$ 67,335	\$ 94	\$ 15,271	\$ 4,510

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	24118	24133	24150	24154
	Fresh Fruits & Vegetables	EETT	Title V-A	Teacher/ Principal Train & Recruitment
Assets				
Cash and	\$ -	\$ -	5	\$
investments Inventory				
Due from grantor		2,257	634	21,610
Total assets	\$	\$ 2,257	\$ 634	\$ 21,610
Liabilities and Fund Equity				
Liabilities				
Due to other funds		\$ 2,257	\$ 634	\$ 21,610
Accounts payable				
Deferred revenues - grants				
Total liabilities		2,257	634	21,610
Fund balance				
Designated for capital outlay				
Designated for subsequent year's expenditures				
Undesignated				
Total fund balance				
Total liabilities and fund equity	\$	\$ 2,257	\$ 634	21,610

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

24157 Title IV-A	24201 ARRA Title I Stimulus	24206 ARRA IDEA - B Stimulus	24209 ARRA Preschool Stimulus	24206 ARRA IDEA - B Stimulus	24209 ARRA Preschool Stimulus
\$	-	\$	-	\$	-
617	476				
617	\$ 476				
<hr/>					
617	\$	476	\$		
<hr/>					
617		476			
<hr/>					
<hr/>					
617	\$	476	\$	-	\$
<hr/>					

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	25153	25171	25187
		CYFD	
	Medicaid	Summer	Underage
		Lunch	Drinking
Assets			
Cash and investments	\$ 86,279	\$ 9,818	\$ 21
Inventory			
Due from grantor			
Total assets	\$ 86,279	9,818	21
 Liabilities and Fund Equity			
Liabilities			
Due to other funds			
Accounts payable			
Deferred revenues - grants		9,818	21
Total liabilities		9,818	71
 Fund balance			
Designated for capital outlay			
Designated for subsequent year's expenditures			
Undesignated	86,279		
Total fund balance	86,279		
Total liabilities and fund equity	\$ 86,279	9,818	21

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

25233	25255	27103	27105	27106	27138
REAP SRSA	Operational Stimulus II	Dual Credit Instructional Materials	GO Student Library Bonds	GO Bond Senate Bill 1 Laws 2010	Incentives for School Improvements
S	S	\$	S	-	\$
-			-		
5,539		37	381	3,294	
5,539	5	5	37	\$ 381	S 3,294
<hr/>					
5,539	\$	S	37	S 381	5 3,294
<hr/>					
5,539		37	381	3,294	
<hr/>					
5,539	\$	37	381	\$ 3,294	S

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	27145	27155	27164
	GO Bond	Breakfast for Elem Students	Schools on the Rise
Assets			
Cash and investments	\$ -	\$ -	\$ -
Inventory			
Due from grantor	1,506	3,440	4,000
Total assets	1,506	\$ 3,440	\$ 4,000
 Liabilities and Fund Equity			
Liabilities			
Due to other funds	\$ 1,506	\$ 3,440	\$ 4,000
Accounts payable			
Deferred revenues - grants			
Total liabilities	1,506	3,440	4,000
 Fund balance			
Designated for capital outlay			
Designated for subsequent year's expenditures			
Undesignated			
Total fund balance			
Total liabilities and fund equity	1,506	\$ 3,440	\$ 4,000

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	28118	28131	28140	29130	31100	
	NMYCCC	NM Arts Grant	CATCH Program	School Based Health Center	Bond Building	Total
				55,433	64,525	\$ 296,628
						2,148
	13,559	6,501				68,362
5	13,559	6,501	\$	55,433	64,525	\$ 367,138
<hr/>						
	13,559	\$ 6,501	\$			\$ 68,362
				55,433		65,272
	13,559	6,501		55,433		133,634
<hr/>						
					64,525	64,525
						2,148
						166,831
					64,525	233,504
<hr/>						
	13,559	6,501	\$	55,433	\$ 64,525	\$ 367,138

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures
And Changes In Fund Balance Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	21000		22000		23000		24109
	Food Service		Athletics		Board Activity		IDEA - B Preschool
Revenues:							
Local and county sources	9,902	\$	15,786		983	\$	
State sources							
Federal sources	137,874						7,335
Interest	51						
Total revenues	<u>\$ 147,827</u>	<u>\$</u>	<u>15,786</u>		<u>983</u>	<u>\$</u>	<u>7,335</u>
Expenditures:							
Current							
Instruction		\$	12,004	\$	2,582	\$	7,335
Support services - students							
Support services - instruction							
Support services - general administration							
Support services - school administration							
Central services							
Operation and maintenance of plant							
Student transportation			4,493				
Food services operations	136,538						
Capital Outlay							
Debt Service:							
Principal							
Interest							
Total expenditures	<u>136,538</u>		<u>16,497</u>		<u>2,582</u>		<u>7,335</u>
Excess (deficiency) of revenues over expenditures	11,289		(711)		(1,599)		
Other financing sources (uses):							
Operating transfers in (out)							
Net changes in fund balances	11,289		(711)		(1,599)		
Fund balance, beginning of year	<u>56,046</u>		<u>805</u>		<u>16,870</u>		
Fund balance, end of year	<u>\$ 67,335</u>	<u>\$</u>	<u>94</u>	<u>\$</u>	<u>15,271</u>	<u>\$</u>	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures
And Changes In Fund Balance Nonmajor Governmental Funds
For the Year Ended June 30, 2012

24118 Fresh Fruits and Vegetables	24133 EETT	24150 Title V-A	24154 Teacher/ Principal Training & Rec	24157 Title IV-A
6,032			36,889	
<u>6,032</u>	<u>\$</u>		<u>36,889</u>	<u>\$</u>
			36,889	\$
6,032				
<u>6,032</u>			<u>36,889</u>	
	<u>\$</u>	<u>-</u>	<u>\$</u>	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures
And Changes In Fund Balance Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	24201	24206	24209	25153
	Title I	ARRA	ARRA	
	Stimulus	IDEA - B	Preschool	Medicaid
	Stimulus	Stimulus	Stimulus	
Revenues:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources				
Federal sources	8	191	7	12,861
Interest				
Total revenues	\$ 8	\$ 191	\$ 7	\$ 12,861
Expenditures:				
Current				
Instruction	\$ 8	\$ 191	\$ 7	\$ -
Support services - students				27,119
Support services - instruction				
Support services - general administration				
Support services - school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Capital Outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	8	191	7	27,119
Excess (deficiency) of revenues over expenditures				(14,258)
Other financing sources (uses):				
Operating transfers in (out)				
Net changes in fund balances				(14,258)
Fund balance, beginning of year				100,537
Fund balance, end of year				\$ 86,279

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Statement of Revenues, Expenditures
 And Changes In Fund Balance Nonmajor Governmental Funds
 For the Year Ended June 30, 2012

25171 CYFD Summer Lunch	25187 Underage Drinking	25233 REAP SRSA	25255 Operational Stimulus II	27103 Dual Credit Instructional Materials	27105 GO Student Library Bonds	27106 GO Bond Senate Bill 1 Laws 2010
\$	-	\$ -	\$			
18,759			1,408		381	3,294
\$ 18,759		\$	1,408	\$	381	\$ 3,294

		\$	1,408	\$		
18,759					381	3,294
18,759			1,408		381	3,294

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures
And Changes In Fund Balance Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	27138	27145	27155	27164
	Incentives for School Improvements	GO Bonds	Breakfast for Elem. Students	Schools on the Rise
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Local and county sources				
State sources	6,571			
Federal sources				
Interest				
Total revenues	<u>6,571</u>	<u>\$</u>		
Expenditures:				
Current				
Instruction	6,571	\$		
Support services - students				
Support services - instruction				
Support services - general administration				
Support services - school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Capital Outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	<u>6,571</u>			
Excess (deficiency) of revenues over expenditures				
Other financing sources (uses):				
Operating transfers in (out)				
Net changes in fund balances				
Fund balance, beginning of year				
Fund balance, end of year	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Combining Statement of Revenues, Expenditures
 And Changes In Fund Balance Nonmajor Governmental Funds
 For the Year Ended June 30, 2012

	28118		28131		28140		29130		31100		
	NMYCCC		NM Arts Grant		CATCH Program		School Based Health Center		Bond Building		Total
S		\$		S		\$	11,368	\$			\$ 38,039
	37,614		6,834		4,084						58,778
	-						-		-		221,364
	-						-		-		51
	37,614	S	6,834	\$	4,084	\$	11,368	\$			\$ 318,232
		\$	6,834	\$	-	\$	11,368	\$	0		\$ 73,829
					4,084						42,571
											3,675
	37,614										37,614
											4,493
											161,329
									276,176		276,176
	37,614		6,834		4,084		11,368		276,176		599,687
									(276,176)		(281,455)
									(276,176)		(281,455)
									340,701		514,959
		\$		\$		\$	-	\$	64,525		\$ 233,504

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

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SPECIAL REVENUE FUNDS

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
June 30, 2012

SPECIAL REVENUE FUNDS

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

Food Service — This fund is utilized to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users. Authority for the creation of this fund is NMSA 22-13-13.

Athletics This fund is used to account for income from gross receipts and other proceeds from school athletic events and to provide for the payment of operating expenses of those activities. The authority for creation of this fund is SDE Regulation 6, NMAC 2.2.

Board Activity — This fund is utilized to account for resources designated by the Board of Education. Authority is Board of Education Resolution.

Title I — Basic — To account for grant funds to be used for the purpose of improving educational opportunities for educationally deprived children. Funding authority is the U.S. Department of Education Public Law 100-297.

IDEA-B Entitlement — To account for resources provided to the School for the purpose of meeting the educational needs of the handicapped. Funding authority is the U.S. Department of Education Public Law 94-142.

IDEA-B Preschool To account for the operations of supplementary aid to students with disabilities ages 5-21. Funding authority is the U.S. Department of Education Public Law 99-457.

Fresh Fruits and Vegetables — To account for resources provided to combat childhood obesity by helping children learn healthier eating habits. The program is used primarily to purchase unique fresh fruit and vegetables and must be made available to all students. Authority for creation of this fund is Public Law 110-234.

EETT (Enhancing Education Through Technology) — To account for resources provided to facilitate the greater use of computers in the classroom. Funding authority is the U.S. Department of Education (P.L. 94-142).

Title V-A — To improve educational opportunities for all children. The funding authority is the U.S. Department of Education No Child Left Behind Act, 2002.

Teacher/Principal Training and Recruitment To account for grant funds to be used for training and recruiting teachers and principals. The authority for creation of this fund is Title 11 of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382.

Title IV-A — To account for operations to promote drug use prevention education, intervention and rehabilitation referral in public schools. Funding authority is the U.S. Department of Education Public Law 100-297.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
June 30, 2012

Title I Stimulus—To account for federal stimulus funds allocated to Title I The authority is ARRA.

IDEA-B Stimulus To account for federal stimulus funds allocated to IDEA-B. The funding authority is ARRA.

Preschool Stimulus — To account for federal stimulus funds allocated to IDEA-B Preschool. The funding authority is ARRA.

Medicaid This grant is to provide resources for the provision of medical services to children of low-income families. Funding authority is the U.S. Government.

CY FD Summer Lunch — This grant is to account for

Underage Drinking — To account for funds obtained to educate students about underage drinking problems. Funding authority is Title IV, Part A, ESEA, 1965.

Rural Education Achievement Program — The objective is to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The Elementary and Secondary Education Act of 1965 (ESEA, Title VI, Part B, as amended).

Operational Stimulus II — To account for federal stimulus funds allocated to Operational Stimulus. Funding authority is ARRA.

2009 Dual Credit Instructional Materials To account for instructional materials funds received from the state. Authority is the State of New Mexico Public Education Department.

2009 GO Student Library Funds — To account for library funds received from the state. Authority is the State of New Mexico Public Education Department.

GO Bond Public School Library Acquisition Award — To be used to acquire library books, equipment and library resources for public school libraries statewide. The authority is the State of New Mexico Public Education Department.

Incentives for School Improvement — The purpose of this state grant is to provide funds for use in providing student educational trips, automation of the District's libraries, and other educational materials. Authority for creation of this fund is the School Improvement Act (Section 22-26-9, NMSA, 1978).

GO Bond To account for resources provided by voter approval of a state general obligation (GO) bond issue for public school libraries. Authority is laws of 2004, Chapter 1117.

Elementary Breakfast Program To fund elementary breakfast. The authority is the United States Department of Agriculture through the New Mexico Public Education Department.

Schools on the Rise — To account for state grant used to provide for the improvement of the adequate yearly progress goals.

NMYCC This fund is to account for funds used by students to beautify and landscape parks and school grounds. (New Mexico Youth Conservation Corps, established by state statute.) Funding authority is New Mexico Energy, Minerals, and Natural Resources Department.

State of New Mexico
MOUNTAIN AIR PUBLIC SCHOOLS
June 30, 2012

NM Arts Grant - To account for funds used for art given by the State of New Mexico. Authority is the State of New Mexico, Public Education Department.

CATCH Program — To account for funds provided to educate students about physical fitness and healthy lifestyles. (Coordinated Approach to Child Health). Authority is the State of new Mexico, Public Education Department.

Energy Efficiency and Renewable Energy Bonding Act — To provide energy efficient and renewable energy facilities. The Authority is the New Mexico Public Education Department.

School Based Health Center A fund used to account for resources provided by the State of New Mexico Department of Health to implement a school-based health center. Authority is laws of 2005.

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Food Service - Special Revenue Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ 11,200	\$ 11,200	\$ 9,902	\$ (1,298)
State sources				
Federal sources	107,000	107,000	137,874	30,874
Interest			51	51
Total Revenues	118,200	118,200	147,827	29,627
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations	148,539	148,539	136,371	12,168
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	148,539	148,539	136,371	12,168
Excess (deficiency) of revenues over (under) expenditures	(30,339)	(30,339)	11,456	41,795
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash	30,339	30,339		
Total other financing, sources (uses)	30,339	30,339		
Net change in fund balances			11,456	
Cash balances - beginning of year			53,731	
Cash balances - end of year			\$ 65,187	
Net change in fund balance (Non-GAAP Budgetary basis)			11,456	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals			(167)	
Net changes in fund balance (GAAP basis)			\$ 11,289	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Athletics - Special Revenue Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ 18,000	\$ 18,000	\$ 15,786	\$ (2,214)
State sources				
Federal sources				
Interest				
Total Revenues	18,000	18,000	15,786	(2,214)
Expenditures:				
Current				
Instruction	15,000	15,000	12,004	2,996
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation	3,725	3,725	4,493	(768)
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	18,725	18,725	16,497	2,228
Excess (deficiency) of revenues over (under) expenditures	(725)	(725)	(711)	14
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash	725	725		
Total other financing sources (uses)	725	725		
Net change in fund balances			(711)	
Cash balances - beginning of year			805	
Cash balances - end of year			\$ 94	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (711)	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$ (711)	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Board Activities - Special Revenue Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	450	S 450	\$ 983	533
State sources				
Federal sources				
Interest				
Total Revenues	450	450	983	533
Expenditures:				
Current				
Instruction	16,505	16,505	2,582	13,923
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	16,505	16,505	2,582	13,923
Excess (deficiency) of revenues over (under) expenditures	(16,055)	(16,055)	(1,599)	14,456
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash	16,055	16,055		
Total other financing sources (uses)	16,055	16,055		
Net change in fund balances			(1,599)	
Cash balances - beginning of year			16,870	
Cash balances - end of year			\$ 15,271	
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (1,599)	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$ (1,599)	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Mutual
Title ! Basic - Special Revenue Fund - 24101
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$	\$	\$ -	\$
State sources		-	-	
Federal sources	242,500	287,776	175,239	(112,537)
Interest	-	-	-	
Total Revenues	242,500	287,776	175,239	(112,537)
Expenditures:				
Current				
Instruction	217,500	262,776	187,379	75,397
Support services-students				
Support services-instruction	1,500	1,500	1,476	24
Support services-general administration				
Support services-school administration	2,500	2,500		2,500
Central services				
Operation and maintenance of plant	21,000	21,000		21,000
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	242,500	287,776	188,855	98,921
Excess (deficiency) of revenues over (under) expenditures			(13,616)	(13,616)
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(13,616)	
Cash balances - beginning of year			(117,322)	
Cash balances - end of year			\$ (130,938)	
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (13,616)	
Adjustment to revenue for accruals and other deferrals			13,616	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			_____	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
IDEA-B Entitlement - Special Revenue Fund - 24106
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$	\$	\$ 19	\$ 19
State sources		-	-	-
Federal sources	89,085	139,115	79,043	(60,072)
Interest			-	-
Total Revenues	89,085	139,115	79,062	(60,053)
Expenditures:				
Current				
Instruction	69,376	119,397	92,109	27,288
Support services-students	12,315	12,324	10,098	2,226
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	81,691	131,721	102,207	29,514
Excess (deficiency) of revenues over (under) expenditures	7,394	7,394	(23,145)	(30,539)
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances	7,394	7,394	(23,145)	
Cash balances - beginning of year			(47,925)	
Cash balances - end of year	\$ 7,394	\$ 7,394	\$ (71,070)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (23,145)	
Adjustment to revenue for accruals and other deferrals			23,145	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Mutual
IDEA-B Preschool - Special Revenue Fund - 24109
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$	\$	\$	\$ -
State sources		-		-
Federal sources		4,064	11,129	7,065
Interest				
Total Revenues		4,064	11,129	7,065
Expenditures:				
Current				
Instruction	7,394	11,458	7,335	4,123
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	7,394	11,458	7,335	4,123
Excess (deficiency) of revenues over (under) expenditures	(7,394)	(7,394)	3,794	11,188
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash	7,394	7,394		
Total other financing sources (uses)	7,394	7,394		
Net change in fund balances			3,794	
Cash balances - beginning of year			(8,304)	
Cash balances - end of year			\$ (4,510)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 3,794	
Adjustment to revenue for accruals and other deferrals			(3,794)	
Adjustment to expenditures for payables, prepaids and other accruals			_____	
Net changes in fund balance (GAAP basis)			=====	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Fresh Fruits and Vegetables - Special Revenue Fund - 24118
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources	6,032	6,032	6,032	
Interest				
Total Revenues	6,032	6,032	6,032	
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations	6,032	6,032	6,032	
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	6,032	6,032	6,032	
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year				
Cash balances - end of year	\$	\$	-	\$
	\$	\$	-	\$
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Enhancing Education Through Technology - Special Revenue Fund - 24133
For the Year Ended June 30, 2012

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year			(2,257)	
Cash balances - end of year			\$ (2,257)	\$
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Title V-A - Special Revenue Fund - 24150
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year			(634)	
Cash balances - end of year			\$ (634)	
Net change in fund balance (Non-GAAP Budgetary basis)			\$	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Teacher/Principal Training & Recruitment - Special Revenue Fund - 24154
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources	36,903	45,238	40,671	(4,567)
Interest				
Total Revenues	36,903	45,238	40,671	(4,567)
Expenditures:				
Current				
Instruction	36,903	45,238	36,889	8,349
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	36,903	45,238	36,889	8,349
Excess (deficiency) of revenues over (under) expenditures			3,782	3,782
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			3,782	
Cash balances - beginning of year			(25,392)	
Cash balances - end of year			\$ (21,610)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 3,782	
Adjustment to revenue for accruals and other deferrals			(3,782)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Title IV-A - Special Revenue Fund - 24157
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources	3,024			3,024
Interest				
Total Revenues			3,024	3,024
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures			3,024	3,024
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			3,024	
Cash balances - beginning of year			(3,641)	
Cash balances - end of year		\$	(617)	\$
Net change in fund balance (Non-GAAP Budgetary basis)		\$	3,024	
Adjustment to revenue for accruals and other deferrals			(3,024)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Title I Stimulus - Special Revenue Fund - 24201
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources		8	50,834	50,826
Interest				
Total Revenues	8	8	50,834	50,826
Expenditures:				
Current				
Instruction	8	8	8	
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	8	8	8	
Excess (deficiency) of revenues over (under) expenditures			50,826	50,826
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			50,826	
Cash balances - beginning of year			(51,302)	
Cash balances - end of year			\$ (476)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 50,826	
Adjustment to revenue for accruals and other deferrals			(50,826)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			_____	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
IDEA-B - Special Revenue Fund - 24206
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$	\$	\$	\$
State sources				
Federal sources	192	192	82,025	81,833
Interest				
Total Revenues	192	192	82,025	81,833
Expenditures:				
Current				
Instruction	192	192	191	
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	192	192	191	
Excess (deficiency) of revenues over (under) expenditures			81,834	81,834
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			81,834	
Cash balances - beginning of year			(81,834)	
Cash balances - end of year				
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 81,834	
Adjustment to revenue for accruals and other deferrals			(81,834)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Preschool Stimulus - Special Revenue Fund - 24209
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources	7	7	2,696	2,689
Interest				
Total Revenues	7	7	2,696	2,689
Expenditures:				
Current				
Instruction	7	7	7	
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	7	7	7	
Excess (deficiency) of revenues over (under) expenditures			2,689	2,689
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			2,689	
Cash balances - beginning of year			(2,689)	
Cash balances - end of year				
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 2,689	
Adjustment to revenue for accruals and other deferrals			(2,689)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Medicaid - Special Revenue Fund - 25153
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$	\$	\$ -	\$
State sources				
Federal sources	25,000	25,000	12,861	(12,139)
Interest			-	
Total Revenues	25,000	25,000	12,861	(12,139)
Expenditures:				
Current				
Instruction				
Support services-students	117,856	117,856	27,119	90,737
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	117,856	117,856	27,119	90,737
Excess (deficiency) of revenues over (under) expenditures	(92,856)	(92,856)	(14,258)	78,598
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(14,258)	
Cash balances - beginning of year			100,537	
Cash balances - end of year			\$ 86,279	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (14,258)	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$ (14,258)	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
CYFD Summer Lunch - Special Revenue Fund - 25171
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
Local and county sources				
State sources				
Federal sources	15,382	30,382	27,782	(2,600)
Interest				
Total Revenues	15,382	30,382	27,782	(2,600)
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations	15,382	30,382	18,759	11,623
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	15,382	30,382	18,759	11,623
Excess (deficiency) of revenues over (under) expenditures			9,023	9,023
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			9,023	
Cash balances - beginning of year			795	
Cash balances - end of year			\$ 9,818	
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 9,023	
Adjustment to revenue for accruals and other deferrals			(9,023)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Underage Drinking - Special Revenue Fund - 25187
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration	-	-	-	-
Support services-school administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year			21	
Cash balances - end of year			\$ 21	
Net change in fund balance (Non-GAAP Budgetary basis)			\$	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Rural Education Achievement Program - Special Revenue Fund - 25233
For the Year Ended June 30, 2012

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year			(5,539)	
Cash balances - end of year			\$ (5,539)	\$
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other				
accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Mutual
Operational Stimulus II - Special Revenue Fund - 25255
For the Year Ended June 30, 2012

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:				
Local and county sources				
State sources				
Federal sources		1,408	1,408	
Interest				
Total Revenues		1,408	1,408	
Expenditures:				
Current				
Instruction		1,408	1,408	
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-School administration			-	
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures		1,408	1,408	
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of				
year Cash balances - end of year				
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Dual Credit Instructional Materials - Special Revenue Fund - 27103
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year			(37)	
Cash balances - end of year			\$ (37)	\$
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
GO Student Library Bonds - Special Revenue Fund - 27105
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$	\$	\$ -	\$
State sources		381	1,172	791
Federal sources				
Interest				
Total Revenues		381	1,172	791
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction		381	381	
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures		381	381	
Excess (deficiency) of revenues over (under) expenditures			791	791
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			791	791
Cash balances - beginning of year			(1,172)	
Cash balances - end of year			\$ (381)	791
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 791	
Adjustment to revenue for accruals and other deferrals			(791)	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
GO Bond Senate Bill 1, Laws of 2010 - Special Revenue Fund - 27106
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources	6,261	6,261		(6,261)
Federal sources				
Interest				
Total Revenues	6,261	6,261		(6,261)
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction	6,261	6,261	3,294	2,967
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	6,261	6,261	3,294	2,967
Excess (deficiency) of revenues over (under) expenditures			(3,294)	(3,294)
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(3,294)	
Cash balances - beginning of year				
Cash balances - end of year			\$ (3,294)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (3,294)	
Adjustment to revenue for accruals and other deferrals			3,294	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Incentives for School Improvements - Special Revenue Fund - 27138
For the Year Ended June 30, 2012

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction		6,571	6,571	
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures		6,571	6,571	
Excess (deficiency) of revenues over (under) expenditures		(6,571)	(6,571)	
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(6,571)	
Cash balances - beginning of year			6,571	
Cash balances - end of year				
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (6,571)	
Adjustment to revenue for accruals and other deferrals			6,571	
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
GO Bond - Special Revenue Fund - 27145
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year Cash balances - end of year			(1,506)	
			\$ (1,506)	\$
Net change in fund balance (Non-GAAP Budgetary basis) Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Breakfast For Elementary Students - Special Revenue Fund - 27155
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources			\$ -	\$
State sources	3,440	3,440		(3,440)
Federal sources				
Interest				
Total Revenues	3,440	3,440		(3,440)
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations	3,440	3,440	3,440	
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	3,440	3,440	3,440	
Excess (deficiency) of revenues over (under) expenditures			(3,440)	(3,440)
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(3,440)	
Cash balances - beginning of year				
Cash balances - end of year			\$ (3,440)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (3,440)	
Adjustment to revenue for accruals and other deferrals			3,440	
Adjustment to expenditures for payables, prepaids and other accruals			_____	
Net changes in fund balance (GAAP basis)			_____	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Schools On The Rise - Special Revenue Fund - 27164
For the Year Ended June 30, 2012

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures				
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances				
Cash balances - beginning of year			(4,000)	
Cash balances - end of year			<u>\$ (4,000)</u>	<u>\$</u>
Net change in fund balance (Non-GAAP Budgetary basis)				
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
NMYCC - Special Revenue Fund - 28118
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$			
State sources	43,255	43,255	36,649	(6,606)
Federal sources				
Interest				
Total Revenues	43,255	43,255	36,649	(6,606)
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant	43,255	43,255	37,614	5,641
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	43,255	43,255	37,614	5,641
Excess (deficiency) of revenues over (under) expenditures			(965)	(965)
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(965)	
Cash balances - beginning of year			(12,594)	
Cash balances - end of year			\$ (13,559)	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (965)	
Adjustment to revenue for accruals and other deferrals			965	
Adjustment to expenditures for payables, prepaids and other accruals			_____	
Net changes in fund balance (GAAP basis)			_____	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
NM Arts Grant - Special Revenue Fund - 28131
For the Year Ended June 30, 2012

	Original Budget	final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ -	\$ -	\$ -	
State sources	6,596	6,596		(6,596)
Federal sources	..	-		
Interest				
Total Revenues	6,596	6,596		(6,596)
Expenditures:				
Current				
Instruction	6,596	6,929	6,834	95
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	6,596	6,929	6,834	95
Excess (deficiency) of revenues over (under) expenditures		(333)	(6,834)	(6,501)
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(6,834)	
Cash balances - beginning of year			333	
Cash balances - end of year			\$ (6,501)	\$
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			<i>\$ (6,834)</i>	
<i>Adjustment to revenue for accruals and other deferrals</i>			<i>6,834</i>	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>				
Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
CATCH Program - Special Revenue Fund - 28140
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students	4,084	4,084	4,084	
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	4,084	4,084	4,084	
Excess (deficiency) of revenues over (under) expenditures	(4,084)	(4,084)	(4,084)	
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(4,084)	
Cash balances - beginning of year			4,084	
Cash balances - end of year				
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (4,084)	
Adjustment to revenue for accruals and other deferrals			4,084	
Adjustment to expenditures for payables, prepaids and other accruals Net changes in fund balance (GAAP basis)				

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
LE & RE Bond Awards - Special Revenue Fund - 28197
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources	358,294	358,294	363,668	5,374
Federal sources				
Interest				
Total Revenues	358,294	358,294	363,668	5,374
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant	358,294	358,294	5,374	352,920
Student transportation				
Other support services				
Food services operations				
Capital outlay			202,712	(202,712)
Debt Service:				
Principal				
Interest				
Total expenditures	358,294	358,294	208,086	150,208
Excess (deficiency) of revenues over (under) expenditures			155,582	155,582
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			155,582	
Cash balances - beginning of year				
Cash balances - end of year			\$ 155,582	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 155,582	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$155,582	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes In
Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
School Based Health Center - Special Revenue Fund - 29130
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ 14,200	\$ 14,200	\$ 1,171	\$ (13,029)
State sources				
Federal sources				
Interest				
Total Revenues	14,200	14,200	1,171	(13,029)
Expenditures:				
Current				
Instruction				
Support services-students	59,711	59,711	11,368	48,343
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal				
Interest				
Total expenditures	59,711	59,711	11,368	48,343
Excess (deficiency) of revenues over (under) expenditures	(45,511)	(45,511)	(10,197)	35,314
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)				
Net change in fund balances			(10,197)	
Cash balances - beginning of year			65,630	
Cash balances - end of year	\$	\$ -	\$ 55,433	
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (10,197)	
Adjustment to revenue for accruals and other deferrals			10,197	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)				

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

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CAPITAL PROJECTS FUNDS

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures - Budget (Non-GAAP Budgetary Basis) and Actual
Bond Building - 31100
For the Year Ended June 30, 2012

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources				
State sources				
Federal sources				
Interest				
Total Revenues				
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay	340,701	340,701	276,176	64,525
Debt Service:				
Principal				
Interest				
Total expenditures	340,701	340,701	276,176	64,525
Excess (deficiency) of revenues over (under) expenditures	(340,701)	(340,701)	(276,176)	64,525
Other financing sources (uses):				
Loan from other funds			340,701	340,701
Proceeds from bonds				
Designated cash				
Total other financing sources (uses)			340,701	340,701
Net change in fund balances			64,525	
Cash balances - beginning of year				
Cash balances - end of year			\$ 64,525	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 64,525	
Adjustment to revenue for accruals and other deferrals				
Adjustment to expenditures for payables, prepaids and other accruals			(340,701)	
Net changes in fund balance (GAAP basis)			\$ (276,176)	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Capital Improvements SB-9 - 31700
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ 107,126	\$ 127,729	106,666	\$ (21,063)
State sources	26,336	26,336	26,336	
Federal sources				
Interest				
Total Revenues	133,462	154,065	133,002	(21,063)
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration	1,000	1,500	1,067	433
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay	347,263	367,366	34,892	332,474
Debt Service:				
Principal				
Interest				
Total expenditures	348,263	368,866	35,959	332,907
Excess (deficiency) of revenues over (under) expenditures	(214,801)	(214,801)	97,043	311,844
Other financing sources (uses):				
Due From Other Funds			(270,370)	
Proceeds from bonds				
Designated cash	147,980	147,980		
Total other financing sources (uses)	147,980	147,980	(270,370)	
Net change in fund balances			(173,327)	
Cash balances - beginning of year			209,883	
Cash balances - end of year			\$ 36,557	
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (173,327)	
Adjustment to revenue for accruals and other deferrals			2,582	
Adjustment to expenditures for payables, prepaids and other accruals			270,370	
Net changes in fund balance (GAAP basis)			\$ 99,625	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Debt Service - 41000
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local and county sources	\$ 273,212	\$ 273,212	296,649	\$ 23A37
State sources				
Federal sources				
Interest	20	20	10	(10)
Total Revenues	273,232	273,232	296,659	23,427
Expenditures:				
Current				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration	2,732	2,732	2,966	(234)
Support services-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Other support services				
Food services operations				
Capital outlay				
Debt Service:				
Principal	220,000	220,000	220,000	
Interest	53,212	53,212	53,212	
Total expenditures	275,944	275,944	276,178	(234)
Excess (deficiency) of revenues over (under) expenditures	(2,712)	(2,712)	20,481	23,193
Other financing sources (uses):				
Operating transfers				
Proceeds from bonds				
Designated cash	197,916	197,916		197,916
Total other financing sources (uses)	197,916	197,916		197,916
Net change in fund balances			20,481	
Cash balances - beginning of year			216,531	
Cash balances - end of year			\$ 237,011	\$
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 20,481	
Adjustment to revenue for accruals and other deferrals			7,120	
Adjustment to expenditures for payables, prepaids and other accruals				
Net changes in fund balance (GAAP basis)			\$ 27,601	

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<u>Assets</u>				
High School	\$ 28,078	\$ 66,430	\$ (70,707)	\$ 23,801
Elementary School	10,944	19,864	(19,243)	11,565
 Total Assets	 \$ 39,022	 \$ 86,294	 \$ (89,950)	 \$ 35,366
<u>Liabilities</u>				
Deposits held for others	39,022	86,294	\$ (89,950)	35,366
 Total Liabilities	 \$ 39,022	 \$ 86,294	 \$ (89,950)	 \$ 35,366

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

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State of New Mexico
Mountainair Public Schools
Schedule of Expenditures of Federal Awards
June 30, 2012

Federal Grantor/Pass Through Grantor/Program Title	Pass- Through Number	CFDA Number	Federal Expenditures
<u>United States Department of Education:</u>			
Passed Through the New Mexico Department of Education			
Title I	24101	84.010	\$ 188,855
Entitlement	24106	84.027	102,207
Preschool	24109	84.173	7,335
Title I Stimulus	24201	84.389	8
Entitlement	24206	84.391	191
Preschool Stimulus	24209	84.392	7
Title II	24154	84.367	36,889
Operational Stimulus	25255	84.410	1,408
Total US Department of Education			<u>336,900</u>
<u>United States Department of Agriculture:</u>			
Passed Through the New Mexico Department of Education			
Forest Reserve	11000	10.665	5,553
National School Lunch/Breakfast	21000	10.555	136,371
Fresh Fruits & Vegetables	24118	10.582	6,032
CYFD Summer Lunch	25171	10.558	18,759
Total US Department of Agriculture			<u>166,715</u>
<u>United States Department of Health and Human Services:</u>			
Passed Through the New Mexico Department of Health			
U. S. D. A Commodities	21000	10.550	10,174
Medicaid Title XIX	25153	93.778	27,119
Total US Department of Health and Human Services			<u>37,293</u>
 Total Expenditures of Federal Awards			 <u><u>\$ 540,908</u></u>

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State of New Mexico
Mountainair Public Schools
Schedule of Expenditures of Federal Awards (Continued)
June 30, 2012

Notes to Schedule of Expenditures of Federal Awards

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2 Non-Cash Assistance

The District expended \$10,174 worth of U.S.D.A Commodities received for the year.

3 Subrecipients

The District did not provide any federal awards to subrecipients during the year.

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SUPPORTING SCHEDULES

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Cash Reconciliations
For the Year Ended June 30, 2012

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Audited net cash and Investments, 06/30/11	\$ 70,900	\$	\$ 2,248	\$ 53,731
Current year revenue	3,286,589	290,899	12,304	147,827
Loans from other funds	25,447			
Cash transfers in				
Prior year warrants voided				
Current year expenditures	(3,151,176)	(290,734)	(9,507)	(136,371)
Loans to other funds				
Adjustment				
Total cash and investments 06/30/2012	\$ 231,760	165	5,045	\$ 65,187

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Schedule of Cash Reconciliations
 For the Year Ended June 30, 2012

Athletics Account 22000	Non-Instruct. Fund 23000	Federal Flowthrough Fund 24000	Federal Direct Fund 25000	State Flowthrough Fund 27000	State Direct Fund 28000	Local/State Fund 29000	
\$ 805	5	16,870	\$	\$ 101,353	\$ 6,571	\$ 4,417	\$ 65,630
15,786	983	450,712	42,051	1,172	400,318	1,171	
		232,112	5,539	12,658	20,060		
(16,497)	(2,582)	(341,524)	(47,286)	(13,686)	(256,618)	(11,368)	
		(341,300)	(5,539)	(6,715)	(12,595)		
\$ 94	\$ 15,271	\$	\$ 96,118	\$	\$ 155,582	\$ 55,433	

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Cash Reconciliations
For the Year Ended June 30, 2012

	Bond Building 31100	Cap. Improv. SB-9 31700	Debt Service Fund 41000	Governmental
Audited net cash and Investments, 06/30/11	\$	\$ 209,884	\$ 216,531	\$ 748,940
Current year revenue		133,002	296,659	5,079,473
Loans from other funds	340,701			636,518
Cash transfers in				
Prior year warrants voided				
Current year expenditures	(276,176)	(35,959)	(276,179)	(4,865,665)
Loans to other funds		(270,370)		(636,518)
Adjustment				
Total cash and investments 06/30/2012	\$ 64,525	\$ 36,557	\$ 237,011	\$ 962,749

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

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
 Schedule of Cash Reconciliations
 For the Year Ended June 30, 2012

	Account Name	Type of Account	Bank Balance June 30, 2012	Reconciled Balance, June 30, 2012
My Bank, Belen, NM	General Operating	Checking	\$ 475,091	\$ 273,943
	School Lunch	Checking	77,801	77,730
	Payroll Clearing	Checking	274,266	48,074
	Bond Proceeds	Savings	485,852	485,852
	High School Activities	Checking	24,134	23,894
	Elementary Activities	Checking	11,767	11,565
	Investment	Savings	66,491	66,491
	Investment	Savings	10,565	10,565
	Total cash balance		<u>\$ 1,425,967</u>	<u>\$ 998,114</u>
 Cash and investments per financial statements:				
	All governmental funds			\$ 962,749
	Agency funds			<u>35,365</u>
	Total			<u>\$ 998,114</u>

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

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Pledged Collateral
June 30, 2012

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution.

Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value.

The following is a description of cash on deposit by financial institutions and the related pledged collateral at June 30, 2012:

My Bank, Belen, New Mexico:

Total bank deposits	\$1,425,967
Amount insured by FDIC	<u>(250,000)</u>
Uninsured public funds	<u>\$1,175,967</u>
 50% Collateral requirement	 <u>\$ 587,984</u>

Amount collateralized with the following securities held by The Independent Banker's Bank, Dallas, Texas:

CUSIP#	Security Description	Maturity Date	Rate	Pledged Value
189414HB4	Clovis NM MSD	08/01/14	2.00%	\$468,914
550340DL4	Luna County NM SD	08/01/16	3.60%	<u>333,228</u>
Total Pledged				<u><u>\$802,142</u></u>

The Mountainair Public Schools are fully pledged and collateralized as of June 30, 2012.

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State of New Mexico
MOUNTAIN PUBLIC SCHOOLS
Schedule of Joint Powers Agreement
For the Year Ended June 30, 2012

Parties Involved:	District and State of New Mexico, Public School Facilities Authority (PSFA)
Responsible Party:	PSFA
Beginning Date:	7/1/2010
Ending Date:	6/30/2015
Amount Applicable:	n/a
Amount Contributed:	n/a
Amount Responsibility:	District

Note: This joint power agreement does not have a monetary amount within it but enables PSFA to work with the District.

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COMPLIANCE SECTION

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CALHOON ACCOUNTING & TAX SERVICES
PO BOX 945
ESTANCIA, NEW MEXICO 87016

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

The Board of Education
State of New Mexico Mountainair Public Schools
Mountainair, New Mexico
And

Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

I have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the State of new Mexico, Mountainair Public Schools (District), as of and for the year ended June 30, 2012, and have issued my report thereon dated November 13, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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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 District's financial statements will not be prevented, or detected and corrected on timely basis. I consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as findings 04-1, to be a material weakness.

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. I consider the deficiency describes as finding 12-1 and 12-2 in the accompanying schedule of findings and responses to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial Statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters, described at finding 12-1 and 12-2, in the accompanying schedule of findings and responses that is required to be reported under *Government Auditing Standards*.

Mountainair Public School's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit their response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the District, the Board of Directors, the Office of the State Auditor, New Mexico Legislature, NM Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Services

Calhoon Accounting & Tax Services

November 13, 2012

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CALHOON ACCOUNTING & TAX SERVICES
PO BOX 945
ESTANCIA, NEW MEXICO 87016

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Education
State of New Mexico — Mountainair Public Schools
Mountainair, New Mexico

and

Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Compliance

I have audited the compliance of the State of New Mexico, Mountainair Public Schools (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. My responsibility is to express an opinion on the District's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I 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 the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's compliance with those requirements.

In my opinion, Mountainair Public Schools complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2012.

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Internal Control Over Compliance

The management of the District 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 my audit, I considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency* in internal control over compliance 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 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.

My consideration of internal control over compliance was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Board of Education members, the management of the District, the State of New Mexico Public Education Department, the State of New Mexico Office of the State Auditor, the Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Calhoun Accounting & Tax Services

Calhoun Accounting & Tax Services

November 13, 2012

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are
not considered to be material weaknesses: yes no

Noncompliance material to financial statements

Noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are
not considered to be material weaknesses: yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified.

Any audit findings disclosed that are required

to be reported in accordance with section 510(a)

of Circular A-133? yes no

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	IDEA-B Cluster
84.027	Entitlement
84.173	Preschool
84.391	Entitlement-Stimulus
84.392	Preschool-Stimulus
84.367	Title II
10.555	National School Lunch/Breakfast

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee yes no

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

FIANCIAL STATEMENT FINDINGS

04-1 Bank Accounts Not Reconciled

Statement of finding: The Operational Checking Account, Payroll Clearing Account, and Food Service bank accounts are not being reconciled to the General Ledger on a monthly basis.

Criteria: Per good internal control practices, all bank accounts should be reconciled to the balances per books each month.

Effect: Internal control is weakened.

Cause: This area did not receive proper attention.

Recommendation: Bank accounts should be reconciled to the balance per books each month. All bank accounts should be reconciled each month, and the payroll clearing account should be reconciled to zero. A supervisor should review and initial the reconciliation's, indicating review oversight.

Management's response: The District is working to resolve this issue. Administration expects to receive a monthly report from the business manager within 30 days following the end of each month that will indicate the bank accounts are reconciled to the general ledger.

Current Year Audit Findings

12-1 Excess Expenditures over Budget

Statement of finding: The Debt Service Fund spent \$234 more than budget.

Criteria: NMSA 6-6-6 requires that actual expenditures do not exceed budgeted expenditures by fund.

Effect: Over spending and inadequate controls over budget authority.

Cause: The District did not budget the carryover from the previous year.

Recommendation: Management implement procedures to prevent budget over expenditures.

Management's response: The District will work to monitor budgets more closely and make adjustments when necessary before expenditures are incurred.

State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

FINANCIAL STATEMENT FINDINGS (continued)

2012-2 Timeliness of Audit Report

Criteria: Governmental entities, agencies, and committees review the reports and prefer to do so in a timely manner. The SAO Rule, NMAC 2.2.2.9 A establishes a due date of November 15 for the audit reports of school districts.

Condition: The New Mexico State Auditor requires the audit to be completed and submitted to his office by November 15, 2012, the report is past due.

Cause: The audit report required revisions.

Effect: The audit was considered late.

Recommendation: The District and its auditor will work together to get the next years audit submitted without revisions and on time.

Management's response: We concur with the auditor's recommendation.

Federal Award Finding and Questioned Costs

None were reported.

Prior Year Audit Findings

04-1 — Bank Accounts not reconciled — Repeated.

06-1 — Supporting documentation for receipts — Agency Funds Resolved.

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State of New Mexico
MOUNTAINAIR PUBLIC SCHOOLS
Other Disclosures
For the Year Ended June 30, 2012

AUDITOR PREPARED FINANCIAL STATEMENTS

Management is responsible for the content of the report and financial statements. It would be preferred and desirable for the District to prepare its own GAAP-basis financial statements; although the District is capable, with guidance, of preparing, reviewing and approving the financial statements, it is felt that the District's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

EXIT CONFERENCE

An exit conference was held in the offices of the Superintendent of Mountainair Public Schools in Mountainair, New Mexico on November 13, 2012. Those attending were Jay Mortensen, Superintendent, Darrell Roberts, Board Member, Loretta Moseley, Audit Committee Member, Yvonne Zenga, Administrator, Tammy Zamora, Business Manager, and Renea L. Calhoon CPA. The financial statements and audit report were discussed.

The financial statements presented in this report were prepared by the auditor, Calhoon Accounting and Tax Services.