
STATE OF NEW MEXICO
SAN JON Municipal School
June 30, 2012

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2012
With Independent Auditor's Report Thereon

Sandra Rush
Certified Public Accountant, PC

1101 E Llano Estacado
Clovis, New Mexico 88101

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Official Roster
For the year ended June 30, 2012

Board of Education

Franklin Gibson	President
Dale Bone	Vice-President
Tommy Evans	Secretary
Cynthia Lee	Member
Tim Foster	Member

School Officials

Gary Salazar	Superintendent
Lucy Heddlesten	Business Manager

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Table of Contents
June 30, 2012

	<u>Page</u>
Introductory Section:	i
Official Roster	ii
Table of Contents	iii-vi
Independent Auditor's Report	1-2
Financial Section:	3
Basic Financial Statements:	5
Government-wide Financial Statements:	6
Statement of Net Assets	7
Statement of Activities	8-9
Fund Financial Statements:	11
Balance Sheet - Governmental Funds	12-13
Governmental Funds - Reconciliation of the Balance Sheet to the Statement of Net Assets	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16-17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
General Fund - Operational - 11000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	19
General Fund - Teacherage - 12000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	20
General Fund - Transportation - 13000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	21
General Fund - Instructional Material - 14000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	22
Major Special Revenue Fund - IASA Title I - 24101 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	23
Major Special Revenue Fund - IDEA-B Entitlement - 24106 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	24

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Table of Contents
June 30, 2012

	<u>Page</u>
Major Special Revenue Fund - School Based Health Center - 29130 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	25
Major Special Revenue Fund - Wind Farm Projects - 29134 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	26
Statement of Fiduciary Assets and Liabilities - Agency Funds	27
Notes to Financial Statements	29-45
Supplementary Information Related to Non-major Governmental Funds:	47
Nonmajor Governmental Funds Descriptions	49-51
All Nonmajor Governmental Funds - Combining Balance Sheet	52-55
All Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	56-59
Special Revenue Fund - Food Service - 21000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	60
Special Revenue Fund - Athletics - 22000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	61
Special Revenue Fund - Discretionary IDEA B - 24107 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	62
Special Revenue Fund - IDEA-B Preschool - 24109 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	63
Special Revenue Fund - Teacher/Principal Training & Recruiting - 24154 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	64
Special Revenue Fund - Rural Education Achievement Program - 25233 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	65
Special Revenue Fund - State Equalization Guarantee Federal Stimulus - 25250 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	66
Special Revenue Fund - Educational Job Fund - 25255 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	67
Special Revenue Fund - Go Student Library Funds 2008-2012 - 27105 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	68

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Table of Contents
June 30, 2012

	<u>Page</u>
Special Revenue Fund - Library Fund - 27106 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	69
Special Revenue Fund - Technology for Education PED - 27117 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	70
Special Revenue Fund - Computerized Learning - 27123 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	71
Special Revenue Fund - SBHC Value Options - 29131 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	72
Capital Projects Fund - Capital Improvements Senate Bill Nine - 31700 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	73
Debt Service Fund - Debt Service - 41000 Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non - GAAP Budgetary Basis)	74
Supplementary Information Related Agency Funds:	75
Agency Funds - Statement of Changes in Assets and Liabilities	77
Agency Funds - Activity - Statement of Changes in Assets and Liabilities	78
Other Supplemental Information:	79
Cash Reconciliation - All Funds	80-81
Compliance Section:	83
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>	85-86
Schedule of Findings and Responses	87

Independent Auditor's Report

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of the San Jon Municipal School District

Mr. Balderas and Members of the Board

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 San Jon Municipal School District (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 also have audited the financial statements of each of the District's nonmajor governmental, and the budgetary comparisons for all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the 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 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 the 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.

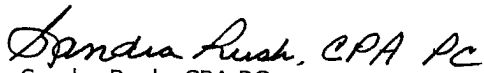
In my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in 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 previously 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 all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 18, 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 grant 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 MD&A 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Sandra Rush, CPA PC
October 18, 2012

Financial Section

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Basic Financial Statements

Government Wide Financial Statements

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Statement of Net Assets
 June 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 302,819
Taxes receivable current	4,925
Due from other governments	21,092
Due from other funds	<u>21,094</u>
Total current assets	<u>349,930</u>
Noncurrent assets:	
Capital assets	
Bond issue costs	38,852
Less: accumulated amortization	(19,424)
Capital assets	10,024,245
Less: accumulated depreciation	<u>(3,604,442)</u>
Total non current assets	<u>6,439,231</u>
Total assets	<u>\$ 6,789,161</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:	
Accounts payable	\$ 6,634
Accrued interest	3,365
Current portion of long-term debt	50,000
Due to other funds	<u>21,094</u>
Total current liabilities	<u>81,093</u>
Noncurrent liabilities:	
Bonds and notes	<u>370,000</u>
Total noncurrent liabilities	<u>370,000</u>
Total liabilities	<u>451,093</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	5,999,803
Non-spendable	-
Restricted	162,094
Unrestricted	<u>176,171</u>
Total net assets	<u>6,338,068</u>
Total liabilities and net assets	<u>\$ 6,789,161</u>

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Statement of Activities
 For the year ended June 30, 2012

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 1,194,335	\$ 9,193	\$ 210,358	\$ -
Support services:				
Students	83,399	-	-	-
Instruction	41,805	-	-	-
General administration	210,873	-	-	-
School administration	-	-	-	-
Central services	73,846	-	-	-
Operation & maintenance of plant	320,834	8,550	-	-
Other support services	823	-	-	-
Community service operations	39,339	-	-	-
Student transportation	154,222	-	151,205	-
Miscellaneous	2,267	-	-	-
Food services	105,684	17,008	33,017	-
Capital outlay	42,503	-	-	37,621
Depreciation unclassified	2,304	-	-	-
Amortization	9,712	-	-	-
Interest on long term debt	26,758	-	-	-
Total governmental activities	<u>\$ 2,308,704</u>	<u>\$ 34,751</u>	<u>\$ 394,580</u>	<u>\$ 37,621</u>

General Revenues

Local and county

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for capital projects

Property taxes, levied for debt service

State aid not restricted

Total general revenues and transfers

Change in net assets

Net assets at beginning of period

Net assets at end of period

The accompanying notes are an integral part of these financial statements

Net Program
 [Expense]
 Revenues
Governmental
Activities
Total

\$ (974,784)

 (83,399)
 (41,805)
 (210,873)
 -
 (73,846)
 (312,284)
 (823)
 (39,339)
 (3,017)
 (2,267)
 (55,659)
 (4,882)
 (2,304)
 (9,712)
(26,758)

 (1,841,752)

12,431
 27,018
 69,352
1,407,346

1,516,147

 (325,605)

6,663,673

6,338,068

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Fund Financial Statements

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Balance Sheet
Governmental Funds
June 30, 2012

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
Cash and cash equivalents	\$ 124,565	\$ 14,668	\$ 3	\$ 1,906
Accounts receivable:				
Taxes current	245	-	-	-
Due from other governments	-	-	-	-
Due from other funds	21,094	-	-	-
Total assets	<u>\$ 145,904</u>	<u>\$ 14,668</u>	<u>\$ 3</u>	<u>\$ 1,906</u>
LIABILITIES				
Accounts payable	\$ 2,563	\$ 1,266	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>2,563</u>	<u>1,266</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for:				
General Fund	-	-	3	1,906
Special Revenue Funds	-	-	-	-
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unassigned for:				
General Fund	143,341	13,402	-	-
Total fund balance	<u>143,341</u>	<u>13,402</u>	<u>3</u>	<u>1,906</u>
Total liabilities and fund balances	<u>\$ 145,904</u>	<u>\$ 14,668</u>	<u>\$ 3</u>	<u>\$ 1,906</u>

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

<u>IASA Title I 24101</u>	<u>IDEA - B Entitlement 24106</u>	<u>School Based Health Center 29130</u>	<u>Wind Farm Projects 29134</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1	\$ 4,650	\$ 98,132	\$ 58,894	\$ 302,819
-	-	-	-	4,680	4,925
11,056	7,748	-	-	2,288	21,092
-	-	-	-	-	21,094
<u>\$ 11,056</u>	<u>\$ 7,749</u>	<u>\$ 4,650</u>	<u>\$ 98,132</u>	<u>\$ 65,862</u>	<u>\$ 349,930</u>
\$ -	\$ -	\$ 2,794	\$ -	\$ 11	\$ 6,634
11,056	7,749	-	-	2,289	21,094
11,056	7,749	2,794	-	2,300	27,728
-	-	-	-	-	-
-	-	-	-	-	1,909
-	-	1,856	98,132	17,737	117,725
-	-	-	-	26,441	26,441
-	-	-	-	19,384	19,384
-	-	-	-	-	156,743
-	-	1,856	98,132	63,562	322,202
<u>\$ 11,056</u>	<u>\$ 7,749</u>	<u>\$ 4,650</u>	<u>\$ 98,132</u>	<u>\$ 65,862</u>	<u>\$ 349,930</u>

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STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Reconciliation of the Balance Sheet
 All Governmental Funds to the
 Statement of Net Assets
 June 30, 2012

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

Fund balances - total governmental funds	\$ 322,202
--	------------

Capital assets used in governmental activities are not financial resources
 and, therefore, are not reported in the funds financial statement, but
 are reported in the governmental activities of the statement of net assets

Capital assets	10,024,245	
Accumulated depreciation	<u>(3,604,442)</u>	6,419,803

Other assets are not available to pay for current - period
 expenditures and, therefore, are deferred in the funds

Bond issue costs	\$ 38,852	
Accumulated amortization	<u>(19,424)</u>	19,428

Other liabilities are not due and payable in the current period and,
 therefore, are not reported in the funds

Accrued interest payable	(3,365)
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Long-term liabilities, including bonds payable, are not due and payable
 in the current period and, therefore, are not reported in the funds

Net assets of governmental activities	<u>\$ 6,338,068</u>
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STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the year ended June 30, 2012

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
Revenues:				
Local and county sources	\$ 12,431	\$ 8,550	\$ -	\$ -
State sources	1,407,346	-	151,205	5,407
Federal sources	-	-	-	-
Total revenues	<u>1,419,777</u>	<u>8,550</u>	<u>151,205</u>	<u>5,407</u>
Expenditures:				
Current operating:				
Instruction	839,806	-	-	6,199
Support services				
Students	76,519	-	-	-
Instruction	34,489	-	-	-
General administration	202,243	-	-	-
School administration	-	-	-	-
Central services	73,846	-	-	-
Operation & maintenance of plant	197,713	10,845	-	-
Student transportation	-	-	153,468	-
Other support services	823	-	-	-
Operation of non-instructional services				
Food services operations	30,315	-	-	-
Community service operations	1,971	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>1,457,725</u>	<u>10,845</u>	<u>153,468</u>	<u>6,199</u>
Excess (deficiency) of revenues over expenditures	(37,948)	(2,295)	(2,263)	(792)
Other financing sources (uses):				
Revert back to state	-	-	(2,267)	-
Operating transfer	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,267)</u>	<u>-</u>
Net change in fund balances	(37,948)	(2,295)	(4,530)	(792)
Fund balance, beginning	<u>181,289</u>	<u>15,697</u>	<u>4,533</u>	<u>2,698</u>
Fund balance, end of year	<u>\$ 143,341</u>	<u>\$ 13,402</u>	<u>\$ 3</u>	<u>\$ 1,906</u>

The accompanying notes are an integral part of these financial statements

<u>IASA Title I 24101</u>	<u>IDEA - B Entitlement 24106</u>	<u>School Based Health Center 29130</u>	<u>Wind Farm Projects 29134</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 86,341	\$ 122,571	\$ 229,893
-	-	-	-	49,680	1,613,638
<u>65,803</u>	<u>32,459</u>	<u>-</u>	<u>-</u>	<u>41,306</u>	<u>139,568</u>
<u>65,803</u>	<u>32,459</u>	<u>-</u>	<u>86,341</u>	<u>213,557</u>	<u>1,983,099</u>
64,614	32,459	-	70,205	31,979	1,045,262
-	-	1,154	-	-	77,673
-	-	-	-	219	34,708
1,189	-	-	-	1,141	204,573
-	-	-	-	-	-
-	-	-	-	-	73,846
-	-	17,969	70,384	-	296,911
-	-	-	-	-	153,468
-	-	-	-	-	823
-	-	-	-	54,200	84,515
-	-	-	-	-	1,971
-	-	12,388	-	115,722	128,110
-	-	-	-	70,000	70,000
-	-	-	-	23,393	23,393
<u>65,803</u>	<u>32,459</u>	<u>31,511</u>	<u>140,589</u>	<u>296,654</u>	<u>2,195,253</u>
-	-	(31,511)	(54,248)	(83,097)	(212,154)
-	-	-	-	-	(2,267)
-	-	-	-	-	-
-	-	-	-	-	(2,267)
-	-	(31,511)	(54,248)	(83,097)	(214,421)
-	-	33,367	152,380	146,659	536,623
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,856</u>	<u>\$ 98,132</u>	<u>\$ 63,562</u>	<u>\$ 322,202</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the year ended June 30, 2012

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

Net change in fund balances - total governmental funds \$ (214,421)

Governmental funds report capital outlays as expenditures.
 However, in the statement of activities the cost of those assets are
 allocated over their estimated useful lives and reported as
 depreciation expense

Capital expenditures

Current year capital expenditures capitalized	\$ 85,607	
Depreciation expense	<u>(253,714)</u>	(168,107)

The issuance of long-term (e.g., bonds, notes, leases) provide current
 financial resources in governmental funds, while the repayment of the
 principal of long-term debt consumes the current financial resources
 of governmental funds. Neither transaction, however, has any effect
 on net assets. Also, governmental funds report the effect of issuance
 costs, premiums, discounts, and similar items when debt is first issued,
 whereas these amounts are deferred and amortized in the statement
 of activities

Accrued interest		(9,712)
Amortization of bond issuance cost		(3,365)
Principal payment on bond		<u>70,000</u>

Change in Net Assets of Governmental Activities \$ (325,605)

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
General Fund - Operational - 11000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 6,941	\$ 6,941	\$ 12,270	\$ 5,329
State sources	1,401,250	1,406,279	1,407,346	1,067
Federal sources	-	-	-	-
Total revenues	1,408,191	1,413,220	1,419,616	6,396
Expenditures:				
Current operating:				
Instruction	875,320	875,286	840,217	35,069
Support services:				
Students	78,588	93,622	76,519	17,103
Instruction	41,954	41,954	34,489	7,465
General administration	223,546	223,546	202,016	21,530
School administration	-	-	-	-
Central services	76,075	76,075	73,846	2,229
Operation & maintenance of plant	213,818	238,917	202,664	36,253
Student transportation	-	-	-	-
Other support services	1,630	2,630	823	1,807
Operation of non-instructional services				
Food services operations	27,962	33,411	30,315	3,096
Community service operations	3,087	3,087	1,971	1,116
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,541,980	1,588,528	1,462,860	125,668
Excess (deficiency) of revenues over(under) expenditures	(133,789)	(175,308)	(43,244)	132,064
Other financing sources (uses):				
Operating transfers	-	-	14,225	14,225
Interfund receivable	-	-	(21,094)	(21,094)
Designated cash	133,789	175,308	-	(175,308)
Total other financing sources (uses)	133,789	175,308	(6,869)	(182,177)
Net change in fund balances	-	-	(50,113)	(50,113)
Cash balance, beginning of year	-	-	174,678	174,678
Cash balance, end of year	\$ -	\$ -	\$ 124,565	\$ 124,565
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (50,113)	
Adjustment to revenues for accruals & other deferrals			7,030	
Adjustment to expenditures for payables, prepaids & other accruals			5,135	
Net change in fund balance (GAAP Basis)			\$ (37,948)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
General Fund - Teacherage - 12000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 10,800	\$ 10,800	\$ 8,550	\$ (2,250)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>10,800</u>	<u>10,800</u>	<u>8,550</u>	<u>(2,250)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	26,300	26,300	9,756	16,544
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>26,300</u>	<u>26,300</u>	<u>9,756</u>	<u>16,544</u>
Excess (deficiency) of revenues over(under) expenditures	(15,500)	(15,500)	(1,206)	14,294
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	15,500	15,500	-	(15,500)
Total other financing sources (uses)	<u>15,500</u>	<u>15,500</u>	<u>-</u>	<u>(15,500)</u>
Net change in fund balances	-	-	(1,206)	(1,206)
Cash balance, beginning of year	-	-	15,874	15,874
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,668</u>	<u>\$ 14,668</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1,206)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			(1,089)	
Net change in fund balance (GAAP Basis)			<u>\$ (2,295)</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
General Fund - Transportation - 13000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	142,111	151,205	151,205	-
Federal sources	-	-	-	-
Total revenues	<u>142,111</u>	<u>151,205</u>	<u>151,205</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	142,111	153,472	153,468	4
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>142,111</u>	<u>153,472</u>	<u>153,468</u>	<u>4</u>
Excess (deficiency) of revenues over(under) expenditures	-	(2,267)	(2,263)	4
Other financing sources (uses):				
Operating transfers	-	-	-	-
Revert back to state	-	-	(2,267)	(2,267)
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,267)</u>	<u>(2,267)</u>
Net change in fund balances	-	(2,267)	(4,530)	(2,263)
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>4,533</u>	<u>4,533</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ (2,267)</u>	<u>\$ 3</u>	<u>\$ 2,270</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (4,530)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (4,530)</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
General Fund - Instructional Materials - 14000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	4,689	5,407	5,407	-
Federal sources	-	-	-	-
Total revenues	<u>4,689</u>	<u>5,407</u>	<u>5,407</u>	<u>-</u>
Expenditures:				
Current operating:				
Instruction	7,055	7,773	6,199	1,574
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>7,055</u>	<u>7,773</u>	<u>6,199</u>	<u>1,574</u>
Excess (deficiency) of revenues over(under) expenditures	(2,366)	(2,366)	(792)	1,574
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund loans	-	-	-	-
Designated cash	2,366	2,366	-	(2,366)
Total other financing sources (uses)	<u>2,366</u>	<u>2,366</u>	<u>-</u>	<u>(2,366)</u>
Net change in fund balances	-	-	(792)	(792)
Cash balance, beginning of year	-	-	2,698	2,698
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,906</u>	<u>\$ 1,906</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (792)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (792)</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - IASA Title I - 24101
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	59,445	67,318	54,747	(12,571)
Total revenues	59,445	67,318	54,747	(12,571)
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	58,315	66,129	64,614	1,515
Instruction	-	-	-	-
General administration	1,130	1,189	1,189	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	59,445	67,318	65,803	1,515
Excess (deficiency) of revenues over(under) expenditures	-	-	(11,056)	(11,056)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	11,056	11,056
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	11,056	11,056
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - IDEA-B Entitlement - 24106
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	32,959	36,710	24,711	(11,999)
Total revenues	32,959	36,710	24,711	(11,999)
Expenditures:				
Current operating:				
Instruction	32,959	36,710	32,459	4,251
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	32,959	36,710	32,459	4,251
Excess (deficiency) of revenues over(under) expenditures	-	-	(7,748)	(7,748)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	7,749	7,749
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	7,749	7,749
Net change in fund balances	-	-	1	1
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ 1	\$ 1
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 1	
Adjustment to revenues for accruals & other deferrals			7,748	
Adjustment to expenditures for payables, prepaids & other accruals			(7,749)	
Net change in fund balance (GAAP Basis)			\$ -	

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

SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - School Based Health Center - 29130
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	18,079	5,804	1,154	4,650
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	8,000	15,175	15,175	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	12,388	12,388	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	26,079	33,367	28,717	4,650
Excess (deficiency) of revenues over(under) expenditures	(26,079)	(33,367)	(28,717)	4,650
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	9,479	9,479	-	(9,479)
Total other financing sources (uses)	9,479	9,479	-	(9,479)
Net change in fund balances	(16,600)	(23,888)	(28,717)	(4,829)
Cash balance, beginning of year	-	-	33,367	33,367
Cash balance, end of year	\$ (16,600)	\$ (23,888)	\$ 4,650	\$ 28,538
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (28,717)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			(2,794)	
Net change in fund balance (GAAP Basis)			\$ (31,511)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Major Special Revenue Fund - Wind Farm Projects - 29134
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 86,500	\$ 86,500	\$ 86,341	\$ (159)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	86,500	86,500	86,341	(159)
Expenditures:				
Current operating:				
Instruction	86,464	86,464	70,205	16,259
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	88,179	88,179	70,384	17,795
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	63,425	63,425	-	63,425
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	238,068	238,068	140,589	97,479
Excess (deficiency) of revenues over(under) expenditures	(151,568)	(151,568)	(54,248)	97,320
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund loans	-	-	-	-
Designated cash	151,568	151,568	-	(151,568)
Total other financing sources (uses)	151,568	151,568	-	(151,568)
Net change in fund balances	-	-	(54,248)	(54,248)
Cash balance, beginning of year	-	-	152,380	152,380
Cash balance, end of year	\$ -	\$ -	\$ 98,132	\$ 98,132
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (54,248)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (54,248)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 45,955
Total assets	<u>\$ 45,955</u>
<u>LIABILITIES</u>	
Funds handled on behalf of:	
Deposits held for others	<u>45,955</u>
Total liabilities	<u>\$ 45,955</u>

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

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Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The financial statements of San Jon Municipal School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

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

All governmental funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units; defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. Nor are there other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated of 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.

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

Governmental Funds

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

General Fund – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

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

Capital Project Funds – The Capital Project Funds are used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The District reports the following major governmental funds:

General Fund (11000) (12000) (13000) (14000)

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

Major Special Revenue Funds:

IASA Title I

This fund's major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determine the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter 1 of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

IDEA B Entitlement

The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and

administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

School Based Home Health Center

To support a Level Two School-Based Health Center that will provide quality direct care to students, children of students, and school staff, through the coordination of integrated primary care and behavioral health services. Funds have been allocated from the New Mexico Department of Health, Public Health Division, based on DOH Strategic Plan (07.01.05)

Wind Farm Projects (29134)

To account for local revenue fund payments received from a private company in lieu of property tax. This fund was created by the state just for San Jon Municipal School District.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include charges to users or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for un-matured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

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

Revenue Recognition for Grants

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

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

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department (PED) an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions, and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditure or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Actual expenditures may not exceed the budget on a line item basis, i.e., cash budgeted expenditures must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a "series" this may be accomplished with only local Board or Education approval. If a transfer between "series" or a budget increase is required, approval must also be obtained from Public School Finance Division.
7. The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending balance. New Mexico Administrative Code 6-20-2.9 prohibits a school district from exceeding budgetary control at the function level.
8. The District is required to balance its budget each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenue over expenditures.
9. 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 amendments thereto.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The District is authorized under the provision of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit

its money in banks, savings and loan association and/or credit unions whose accounts are insured by an agency of the United States.

Investments

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

1. bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
2. 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; or
3. in contracts with bank, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Interfund activities are reported as loans, services provided reimbursements or transfers. Loans are reports as interfund receivable and payables as appropriate and are subject to elimination upon consolidation. Service provided, deemed to be at market or near market, is treated as revenue and expenditures/expense. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

The District receives monthly income from a tax levy in Quay County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amounts remitted by the County Treasurer in July is considered "measurable and available" and accordingly, is recorded as revenue in the government fund statements during the year ended June 30, 2012. The information required to report property taxes at full accrual was not available during the year.

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

Instructional Materials

The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the New Mexico Public Education Department "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The districts are allowed to carry forward unused allocations from year to year

Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service, and Senate Bill Nine Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

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

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Service 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

Capital expenditures made on the school district's building construction projects by the NM Public School Facilities Authority are appropriately included in the school district's capital assets disclosures and financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

Assets	Years
Buildings and Improvements	20 - 50 Years
Vehicles	2 - 15 Years
Equipment	2 - 15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet. There are no outstanding Capital Leases.

Short-Term Debt

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

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.

Restricted Net Assets

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

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

Fund Balances of Fund Financial Statements

Unavailable fund balance indicates that portion of fund equity is not spendable such as inventory.

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

Unassigned fund balance indicates that portion of fund equity which is available for budgeting in future periods.

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

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when the resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 60 days of the fiscal year end.

Compensated Absences

The District does not accrue compensated absences. A terminated employee is paid through the date of dismissal. Due to this practice, there are no compensated absences accrued.

Estimates

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

State Equalization Guarantee

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School finance. The District received \$1,339,149 in state equalization guarantee distributions during the year ended June 30, 2012.

Note 2. Cash and Investments

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

	Citizens Bank Tucumcari, NM	First National Tucumcari, NM	Type
Total amount on deposit on June 30, 2012			
San Jon Municipal School Operational	\$ 350,815	\$ -	Checking
San Jon Municipal School Activity	40,455	-	Checking
San Jon Athletics		4,548	Checking
San Jon Municipal School Activity	5,500	-	CD
Total deposited	<u>396,770</u>	<u>4,548</u>	
Less FDIC coverage	<u>(396,770)</u>	<u>(4,548)</u>	
Total uninsured public funds	-	-	
50% collateral requirement as per Section 6-10-17, NMSA 1978	-		
Pledged securities			
Fed Natl Mtg Assn Pool	<u>503,769</u>		
Over (under)	<u>\$ 503,769</u>	<u>\$</u>	

From December 31, 2010 through December 31, 2012, at all FDIC insured institutions, deposits held in noninterest bearing transaction accounts will be fully insured regardless of the amount in the account. For more information see the FDIC's comprehensive guide, *Your Insured Deposits* at <http://.fdic.gov/deposit/deposits/insured/index/html>

Pledged Collateral: FNMA, pledge receipt no. 164024854, CUIISP 3136FT5M7, maturity date 9/27/2019, market value \$351,511 held at Texas Independent Bank, Dallas TX., not in the District's name.

Pledged Collateral: FNMA, pledge receipt no. 203007198, CUIISP 3136FTV6, maturity date 11/7/2031, market value \$152,258 held at Texas Independent Bank, Dallas TX., not in the District's name.

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2012, none of the District's bank balance of \$401,318 was exposed to custodial credit risk.

Note 3. Accounts Receivable

	General Fund	Debt Service Fund	SB-9 Fund	Other Governmental Funds	Totals
Property tax receivable					
Current	\$ 245	\$ 3,573	\$ 1,107	\$ -	\$ 4,925
Due from grantor					
IASA Title 1	-	-	-	11,056	11,056
IDEA-B Entitlement	-	-	-	7,748	7,748
IDEA-B Preschool	-	-	-	2,288	2,288
Totals	<u>\$ 245</u>	<u>\$ 3,573</u>	<u>\$ 1,107</u>	<u>\$ 21,092</u>	<u>\$ 26,017</u>

The above receivables are deemed 100% collectible.

Note 4. Deferred Revenues

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. For the year ended June 30, 2012 there was no deferred revenue.

Note 5. Interfund Receivables and Payables

The District records temporary interfund receivables and payables to enable funds to operate until grant monies are received. The balances for the year ended June 30, 2012 is as follows:

	Interfund Receivable	Interfund Payable	Total
Operational	\$ 21,094	\$ -	\$ 21,094
IASA Title 1	-	(11,056)	(11,056)
IDEA-B Entitlement	-	(7,749)	(7,749)
IDEA-B Preschool	-	(2,289)	(2,289)
Totals	<u>\$ 21,094</u>	<u>\$ (21,094)</u>	<u>\$ -</u>

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6. Changes in Capital Assets

A summary of changes in capital assets follows:

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 35,998	\$ -	\$ -	\$ 35,998
Capital assets being depreciated				
Buildings and improvements	9,150,483	-	-	9,150,483
Vehicles	361,831	31,480	-	393,311
Equipment	390,326	54,127	-	444,453
Total assets	<u>9,938,638</u>	<u>85,607</u>	<u>-</u>	<u>10,024,245</u>
Less accumulated depreciation				
Buildings and improvements	(2,908,882)	(210,953)	-	(3,119,835)
Vehicles	(192,209)	(17,302)	-	(209,511)
Equipment	(249,637)	(25,459)	-	(275,096)
Total accumulated depreciation	<u>(3,350,728)</u>	<u>(253,714)</u>	<u>-</u>	<u>(3,604,442)</u>
Governmental activity capital assets, net	<u>\$ 6,587,910</u>	<u>\$ (168,107)</u>	<u>\$ -</u>	<u>\$ 6,419,803</u>

STATE OF NEW MEXICO
 San Jon Municipal School
 Notes To Financial Statement
 June 30, 2012

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	149,073
Support services - student support		5,726
Support services - instruction		7,097
Support service - general administration		6,300
Operation maintenance of plant		23,923
Community support		37,368
Food service operation		21,169
Transportation		754
Unclassified		2,304
	\$	<u>253,714</u>

Note 7. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities					
Bonds payable					
General Obligation Bonds	\$ 490,000	\$ -	\$ (70,000)	\$ 420,000	\$ 50,000

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

General Obligations Bonds

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

Series	Date of Issue	Original Amount	Interest Rate	Balance
2009	05/01/09	\$ 500,000	4.87% to 5.15%	\$ 420,000

The annual requirements to amortize the general obligation bonds as of June 30, 2012, including interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2013	50,000	20,415	70,415
2014	50,000	17,977	67,977
2015	50,000	15,540	65,540
2016	60,000	13,215	73,215
2017	60,000	10,425	70,425
2018-2020	150,000	13,665	163,665
	\$ 420,000	\$ 91,237	\$ 511,237

Reconciliation of Bond Issue Cost and Accumulated Amortization

Issue Cost/Premium/Discount on Bond Issue	\$	38,852
Accumulated amortization		<u>(19,424)</u>
	\$	<u>19,428</u>

Note 8. Pension Plan – Educational Retirement Board

Plan Description. Substantially all of the District’s full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB’s website at www.nmerb.org.

Funding Policy. Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The District has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the District contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the District will contribute 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District’s contributions to ERB for the fiscal years ending June 30, 2012, 2011, and 2010, were \$217,921, \$224,182, and \$249,585 respectively, which equal the amount of the required contributions for each fiscal year.

Note 9. Post-Employment 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 postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
2013	2.000%	1.000%

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

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

The District's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$29,628, \$18,425 and \$15,983, respectively, which equal the required contributions for the each year.

Note 10. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 amount, if any, to be immaterial.

Note 11. Non-Cash Assistance

The District receives USDA Commodities for use in sponsoring National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2012 was \$3,270.

Note 12. Risk Management

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance. The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible. In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2012, there have been no claims that have exceeded insurance coverage.

Note 13. Surety Bond

A surety bond as required by Section 12-6-7 NMSA 1978 Compilation and the New Mexico State Auditor Rule NMAC 2.2.2 covers the officials and certain employees of the District.

Note 14. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance
There are no instances of deficit fund balances.
- B. Excess expenditures over budget.
There are no instances of excess expenditures over budget.

Note 15. Memorandum of Understanding

REC

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Grady Municipal School District

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school give notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District.

Note 16. Subsequent Accounting Standard Pronouncements

The GASB issued Statement No. 65, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District is reviewing the effects of the implementation of this statement.

The GASB issued Statement No. 66, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to amend Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government’s risk financing activities to the general fund and the internal service fund type. As a result, government would base their decisions about governmental fund type usage for risk financing activities on the definitions in State No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and that principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee. These changes would eliminate any uncertainty regarding the application of Statement No. 13, *Accounting for Operating Leases with Schedule Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales of Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The District is reviewing the effects of the implementation of this statement.

NOTE 17. Subsequent Events Review

The District has evaluated subsequent events through October 18, 2012, which is the date the financial statements were dated.

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Supplementary Information Related to
Non-Major Governmental Funds

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Nonmajor Governmental Funds Descriptions

NONMAJOR GOVERNMENTAL 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. Grants accounted for in the Special Revenue Funds include:

Food Service

To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics

To account for revenue and expenditures associated with the District's budgeted athletic activities. NMAC 6.20.2.

IDEA B Discretionary

The project provides for free appropriate public education to all children with disabilities. The program is funded by the Federal government and passed through the State Department of Education under the Individuals with Disabilities Education Act, Part B, Section 611-617, and Part O, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

IDEA B Preschool

The objective of the Assistance to State for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17

Teacher Principal Training

The purpose of this fund is to improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382.

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. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

State Equalization Guarantee

The objective is to provide funding equal to the 2006 base year to assist with the budget crises. Authority is the American Recovery and Reinvestment Act of 2009.

Education Jobs Fund

The Education Jobs Fund (Ed Jobs) program is a new Federal program that provides \$10 billion in assistance to States to save or create education jobs for the 2011-2012 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

GO Student Library Fund

The purpose of this program is to acquire library books, equipment, and library resources for public schools libraries and juvenile detention libraries. The source of funding for this grant is General Obligation Bonds issued through the Public Education Department. The authority for creating this grant is NMSA Chapter 117, Section 10C(3). Senate Bill 333.

Technology for Education Act

The purpose of this grant is to assist the District to develop and implement a strategy, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

NONMAJOR GOVERNMENTAL FUNDS

Computerized Learning

To account for funds received from a state grant provided to use computer technology to accumulate and report test scores. Funding provided by a state grant.

SBHC Value Options

To account for resources administered by New Mexico Department of Health. Funded by a contract with New Mexico Department of Health.

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012

	Food Service 21000	Athletics 22000	Discretionary IDEA B 24107	IDEA - B PreSchool 24109
ASSETS				
Cash and cash equivalents	\$ 1,232	\$ 4,387	\$ -	\$ 1
Accounts receivable	-	-	-	-
Taxes current	-	-	-	-
Due from other governments	-	-	-	2,288
Total assets	<u>\$ 1,232</u>	<u>\$ 4,387</u>	<u>-</u>	<u>\$ 2,289</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	2,289
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,289</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	1,232	4,387	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned for:				
General fund	-	-	-	-
Total fund balance	<u>1,232</u>	<u>4,387</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,232</u>	<u>\$ 4,387</u>	<u>\$ -</u>	<u>\$ 2,289</u>

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

Teacher / Principal Training & Recruiting 24154	Rural Education Achievement Program 25233	State Equalization Guarantee 25250	Educational Job Fund 25255	GO Student Library Fund 27105	Technology for Education PED 27117
\$ -	\$ 2,238	\$ 1	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,238</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,238	1	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,238	1	-	-	-
<u>\$ -</u>	<u>\$ 2,238</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2012

	Computerized Learning 27123	SBHC Value Options 29131	Capital Improvements SB-9 31700	Debt Service 41000
ASSETS				
Cash and cash equivalents	\$ 400	\$ 9,479	\$ 25,345	\$ 15,811
Accounts receivable				
Taxes current	-	-	1,107	3,573
Due from other governments	-	-	-	-
Total assets	<u>\$ 400</u>	<u>\$ 9,479</u>	<u>\$ 26,452</u>	<u>\$ 19,384</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	11	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted for:				
General fund	-	-	-	-
Special revenue funds	400	9,479	-	-
Capital projects funds	-	-	26,441	-
Debt service funds	-	-	-	19,384
Unassigned for:				
General fund	-	-	-	-
Total fund balance	<u>400</u>	<u>9,479</u>	<u>26,441</u>	<u>19,384</u>
Total liabilities and fund balance	<u>\$ 400</u>	<u>\$ 9,479</u>	<u>\$ 26,452</u>	<u>\$ 19,384</u>

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

Total
Non-major
Governmental
Funds

\$ 58,894

4,680

2,288

\$ 65,862

\$ 11

2,289

2,300

-

-

17,737

26,441

19,384

-

63,562

\$ 65,862

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2012

	Food Service 21000	Athletics 22000	Discretionary IDEA B 24107	IDEA - B PreSchool 24109
Revenues:				
Local and county sources	\$ 17,008	\$ 9,193	\$ -	\$ -
State sources	-	-	-	-
Federal sources	33,017	-	1,867	4,389
Total revenues	<u>50,025</u>	<u>9,193</u>	<u>1,867</u>	<u>4,389</u>
Expenditures:				
Current operating:				
Instruction	-	8,918	1,867	4,389
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	54,200	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>54,200</u>	<u>8,918</u>	<u>1,867</u>	<u>4,389</u>
Excess (deficiency) revenues over expenditures	(4,175)	275	-	-
Other financing sources (uses):				
Operating transfer	-	-	-	-
Interfund payables	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,175)	275	-	-
Fund balance, beginning	5,407	4,112	-	-
Fund balance, ending	<u>\$ 1,232</u>	<u>\$ 4,387</u>	<u>\$ -</u>	<u>\$ -</u>

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

Teacher / Principal Training & Recruiting 24154	Rural Education Achievement Program 25233	State Equalization Guarantee 25250	Educational Job Fund 25255	GO Student Library Fund 27105	Technology for Education PED 27117
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	11,400	-	659	-	-
<u>2,033</u>					
2,033	11,400	-	659	-	-
1,609	13,607	-	659	-	930
-	-	-	-	-	-
219	-	-	-	-	-
205	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,033</u>	<u>13,607</u>	<u>-</u>	<u>659</u>	<u>-</u>	<u>930</u>
-	(2,207)	-	-	-	(930)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(2,207)	-	-	-	(930)
-	4,445	1	-	-	930
<u>\$ -</u>	<u>\$ 2,238</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2012

	Computerized Learning 27123	SBHC Value Options 29131	Capital Improvements SB-9 31700	Debt Services 41000
Revenues:				
Local and county sources	\$ -	\$ -	\$ 27,018	\$ 69,352
State sources	-	-	37,621	-
Federal sources	-	-	-	-
Total revenues	-	-	64,639	69,352
Expenditures:				
Current operating:			-	-
Instruction	-	-	-	-
Support services			-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	262	674
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services			-	-
Food services operations	-	-	-	-
Capital outlay	-	-	115,722	-
Debt service:				
Principal	-	-	-	70,000
Interest	-	-	-	23,393
Total expenditures	-	-	115,984	94,067
Excess (deficiency) revenues over expenditures	-	-	(51,345)	(24,715)
Other financing sources (uses):				
Operating transfer	-	-	-	-
Interfund loans	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(51,345)	(24,715)
Fund balance, beginning	400	9,479	77,786	44,099
Fund balance, ending	<u>\$ 400</u>	<u>\$ 9,479</u>	<u>\$ 26,441</u>	<u>\$ 19,384</u>

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

Total
Non-major
Governmental
Funds

\$ 122,571
49,680
41,306

213,557

31,979

-

219

1,141

-

-

-

-

-

54,200

115,722

70,000

23,393

296,654

(83,097)

-

-

-

(83,097)

146,659

\$ 63,562

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Food Service - 21000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 16,500	\$ 16,500	\$ 17,008	\$ 508
State sources	-	-	-	-
Federal sources	33,500	33,500	33,017	(483)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,025</u>	<u>25</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	51,441	53,711	52,505	1,206
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>51,441</u>	<u>53,711</u>	<u>52,505</u>	<u>1,206</u>
Excess (deficiency) of revenues over(under) expenditures	(1,441)	(3,711)	(2,480)	1,231
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivables	-	-	-	-
Designated cash	1,441	3,711	-	(3,711)
Total other financing sources (uses)	<u>1,441</u>	<u>3,711</u>	<u>-</u>	<u>(3,711)</u>
Net change in fund balances	-	-	(2,480)	(2,480)
Cash balance, beginning of year	-	-	3,712	3,712
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,232</u>	<u>\$ 1,232</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,480)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			(1,695)	
Net change in fund balance (GAAP Basis)			<u>\$ (4,175)</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Athletics - 22000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 9,400	\$ 9,400	\$ 9,193	\$ (207)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>9,400</u>	<u>9,400</u>	<u>9,193</u>	<u>(207)</u>
Expenditures:				
Current operating:				
Instruction	12,991	12,991	8,918	4,073
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>12,991</u>	<u>12,991</u>	<u>8,918</u>	<u>4,073</u>
Excess (deficiency) of revenues over(under) expenditures	(3,591)	(3,591)	275	3,866
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	3,591	3,591	-	(3,591)
Total other financing sources (uses)	<u>3,591</u>	<u>3,591</u>	<u>-</u>	<u>(3,591)</u>
Net change in fund balances	-	-	275	275
Cash balance, beginning of year	-	-	4,112	4,112
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,387</u>	<u>\$ 4,387</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 275	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ 275</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Discretionary IDEA B - 24107
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	5,000	6,867	1,867
Total revenues	-	5,000	6,867	1,867
Expenditures:				
Current operating:				
Instruction	-	5,000	1,867	3,133
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	5,000	1,867	3,133
Excess (deficiency) of revenues over(under) expenditures	-	-	5,000	5,000
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	(5,000)	(5,000)
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	(5,000)	(5,000)
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			5,000	
Adjustment to expenditures for payables, prepaids & other accruals			(5,000)	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - IDEA-B PreSchool - 24109
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	4,153	5,070	2,101	(2,969)
Total revenues	4,153	5,070	2,101	(2,969)
Expenditures:				
Current operating:				
Instruction	4,153	5,070	4,389	681
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,153	5,070	4,389	681
Excess (deficiency) of revenues over(under) expenditures	-	-	(2,288)	(2,288)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	2,289	2,289
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	2,289	2,289
Net change in fund balances	-	-	1	1
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ 1	\$ 1
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 1	
Adjustment to revenues for accruals & other deferrals			2,288	
Adjustment to expenditures for payables, prepaids & other accruals			(2,289)	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Funds - Teacher/Principal Training & Recruiting - 24154
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	10,271	10,527	2,033	(8,494)
Total revenues	10,271	10,527	2,033	(8,494)
Expenditures:				
Current operating:				
Instruction	9,015	9,271	1,609	7,662
Support services:				
Students	-	-	-	-
Instruction	250	250	219	31
General administration	1,006	1,006	205	801
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	10,271	10,527	2,033	8,494
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Rural Education Achievement Program - 25233
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	11,400	11,400	-
Total revenues	-	11,400	11,400	-
Expenditures:				
Current operating:				
Instruction	8,029	19,429	13,607	5,822
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	8,029	19,429	13,607	5,822
Excess (deficiency) of revenues over(under) expenditures	(8,029)	(8,029)	(2,207)	5,822
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund loans	-	-	-	-
Designated cash	8,029	8,029	-	(8,029)
Total other financing sources (uses)	8,029	8,029	-	(8,029)
Net change in fund balances	-	-	(2,207)	(2,207)
Cash balance, beginning of year	-	-	4,445	4,445
Cash balance, end of year	\$ -	\$ -	\$ 2,238	\$ 2,238
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (2,207)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (2,207)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - State Equalization Guarantee - 25250
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional 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	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	1	1
Cash balance, end of year	\$ -	\$ -	\$ 1	\$ 1
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Educational Job Fund - 25255
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	659	659	-
Federal sources	-	-	-	-
Total revenues	-	659	659	-
Expenditures:				
Current operating:				
Instruction	-	659	659	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	659	659	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Go Student Library Funds 2008 - 2012 - 27105
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	9,224	9,224
Federal sources	-	-	-	-
Total revenues	-	-	9,224	9,224
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over(under) expenditures	-	-	9,224	9,224
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	(9,225)	(9,225)
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	(9,225)	(9,225)
Net change in fund balances	-	-	(1)	(1)
Cash balance, beginning of year	-	-	1	1
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1)	
Adjustment to revenues for accruals & other deferrals			9,225	
Adjustment to expenditures for payables, prepaids & other accruals			(9,224)	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Library Fund - 27106
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	6,116	6,116	-	6,116
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,116	6,116	-	6,116
Excess (deficiency) of revenues over(under) expenditures	(6,116)	(6,116)	-	6,116
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	6,116	6,116	-	(6,116)
Designated cash	-	-	-	-
Total other financing sources (uses)	6,116	6,116	-	(6,116)
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Technology for Education PED - 27117
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	931	930	1
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	931	930	1
Excess (deficiency) of revenues over(under) expenditures	-	(931)	(930)	1
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	931	-	(931)
Total other financing sources (uses)	-	931	-	(931)
Net change in fund balances	-	-	(930)	(930)
Cash balance, beginning of year	-	-	930	930
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (930)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ (930)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - Computerized Learning - 27123
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional 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	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	400	400
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 400</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Special Revenue Fund - SBHC Value Options - 29131
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	9,479	9,479	-	9,479
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	9,479	9,479	-	9,479
Excess (deficiency) of revenues over(under) expenditures	(9,479)	(9,479)	-	9,479
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	9,479	9,479	-	(9,479)
Total other financing sources (uses)	9,479	9,479	-	(9,479)
Net change in fund balances	-	-	-	-
Cash balance, beginning of year	-	-	9,479	9,479
Cash balance, end of year	\$ -	\$ -	\$ 9,479	\$ 9,479
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Capital Projects Fund - Capital Improvements Senate Bill Nine - 31700
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 21,348	\$ 21,348	\$ 26,359	\$ 5,011
State sources	37,621	70,047	37,621	(32,426)
Federal sources	-	-	-	-
Total revenues	<u>58,969</u>	<u>91,395</u>	<u>63,980</u>	<u>(27,415)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	214	314	262	52
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	123,588	170,008	117,300	52,708
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>123,802</u>	<u>170,322</u>	<u>117,562</u>	<u>52,760</u>
Excess (deficiency) of revenues over(under) expenditures	(64,833)	(78,927)	(53,582)	25,345
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payables	-	-	-	-
Designated cash	64,833	78,927	-	(78,927)
Total other financing sources (uses)	<u>64,833</u>	<u>78,927</u>	<u>-</u>	<u>(78,927)</u>
Net change in fund balances	-	-	(53,582)	(53,582)
Cash balance, beginning of year	-	-	78,927	78,927
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,345</u>	<u>\$ 25,345</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (53,582)	
Adjustment to revenues for accruals & other deferrals			659	
Adjustment to expenditures for payables, prepaids & other accruals			<u>1,578</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (51,345)</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL
Debt Service Fund - Debt Service - 41000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue:				
Local and county sources	\$ 93,393	\$ 93,393	\$ 67,452	\$ (25,941)
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>93,393</u>	<u>93,393</u>	<u>67,452</u>	<u>(25,941)</u>
Expenditures:				
Current operating:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	934	934	674	260
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	117,120	117,120	70,000	47,120
Interest	23,393	23,393	23,393	-
Total expenditures	<u>141,447</u>	<u>141,447</u>	<u>94,067</u>	<u>47,380</u>
Excess (deficiency) of revenues over(under) expenditures	(48,054)	(48,054)	(26,615)	21,439
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	48,054	48,054	-	(48,054)
Total other financing sources (uses)	<u>48,054</u>	<u>48,054</u>	<u>-</u>	<u>(48,054)</u>
Net change in fund balances	-	-	(26,615)	(26,615)
Cash balance, beginning of year	-	-	42,426	42,426
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,811</u>	<u>\$ 15,811</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (26,615)	
Adjustment to revenues for accruals & other deferrals			1,900	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ (24,715)</u>	

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

Supplementary Information Related Agency Funds

AGENCY FUNDS

Activity Trust Fund

To account for funds of various student groups that is custodial in nature

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Agency Funds
 Statement of Changes in Assets and Liabilities
 June 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Student activity groups	\$ 47,449	\$ 49,028	\$ (50,522)	\$ 45,955
Total assets	<u>\$ 47,449</u>	<u>\$ 49,028</u>	<u>\$ (50,522)</u>	<u>\$ 45,955</u>
<u>LIABILITIES</u>				
Funds handled on behalf of:				
Student activity groups	\$ 47,449	\$ 49,028	\$ (50,522)	\$ 45,955
Total liabilities	<u>\$ 47,449</u>	<u>\$ 49,028</u>	<u>\$ (50,522)</u>	<u>\$ 45,955</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Agency Funds - Activity
Statement of Changes in Assets and Liabilities
June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Class of 2011	\$ 247	\$ -	\$ -	\$ 247
Class of 2012	1,388	1,069	(2,248)	209
Class of 2013	2,828	4,090	(6,114)	804
Class of 2014	963	594	-	1,557
Class of 2015	2,193	287	-	2,480
Class of 2016	1,760	258	(85)	1,933
Class of 2017	1,061	314	-	1,375
Class of 2018	971	241	-	1,212
Class of 2019	559	142	-	701
Class of 2020	580	186	-	766
Class of 2021	1,270	145	(72)	1,343
Class of 2022	329	433	(89)	673
Class of 2023	108	154	-	262
Class of 2024	-	154	-	154
General	3,123	9,420	(9,289)	3,254
Annual	4,900	2,334	(2,898)	4,336
100 + Student Meals	530	-	(18)	512
Cheerleaders	1,441	3,978	(3,897)	1,522
Library	124	1,589	(1,610)	103
National Honor Society	98	-	-	98
BPA	481	-	-	481
Special Travel	2,002	968	(390)	2,580
Student Council	1,132	7,702	(5,587)	3,247
Concessions	7,124	2,400	(4,922)	4,602
FFA	306	8,991	(9,246)	51
Bidegain	2,751	-	(1,594)	1,157
Science	2,521	-	(24)	2,497
Girl's Basketball	267	328	-	595
Football	-	333	-	333
Volleyball	892	2,819	(2,419)	1,292
Boy's Basketball	-	99	(20)	79
CD	5,500	-	-	5,500
	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
Total assets	<u>\$ 47,449</u>	<u>\$ 49,028</u>	<u>\$ (50,522)</u>	<u>\$ 45,955</u>
LIABILITIES				
Due to student groups	\$ 47,449	\$ 49,028	\$ (50,522)	\$ 45,955
Accounts payable	-	-	-	-
Total liabilities	<u>\$ 47,449</u>	<u>\$ 49,028</u>	<u>\$ (50,522)</u>	<u>\$ 45,955</u>

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

Other Supplemental Information

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Cash Reconciliation - All Funds
For the year ended June 30, 2012

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>
San Jon Municipal School				
Operational	\$ 174,678	\$ 1,419,615	\$ (1,462,859)	\$ (6,869)
Teacherage	15,874	8,550	(9,756)	-
Transportation	4,533	151,205	(155,735)	-
Instructional Materials	2,698	5,407	(6,199)	-
Food Services	3,712	50,025	(52,505)	-
Athletics	4,112	9,193	(8,918)	-
Federal Flowthrough		90,459	(106,551)	16,094
Federal Direct	4,446	12,059	(14,266)	-
State Flowthrough	1,331	9,224	(930)	(9,225)
Local or State	195,226	86,341	(169,306)	-
Capital Improvement SB-9	78,927	63,980	(117,562)	-
Debt Service	42,426	67,452	(94,067)	-
	<u>527,963</u>	<u>1,973,510</u>	<u>(2,198,654)</u>	<u>-</u>
Sub-total governmental funds				
Student Activities	<u>47,449</u>	<u>49,028</u>	<u>(50,522)</u>	
	<u>\$ 575,412</u>	<u>\$ 2,022,538</u>	<u>\$ (2,249,176)</u>	<u>\$ -</u>
Total San Jon Municipal School				

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
San Jon Municipal School			
Operational	Checking	Citizens Bank	\$ 166,688
Teacherage	Checking	Citizens Bank	14,668
Transportation	Checking	Citizens Bank	3
Instructional Materials	Checking	Citizens Bank	1,906
Food Services	Checking	Citizens Bank	5,348
Athletics	Checking	First National	4,548
Federal Flowthrough	Checking	Citizens Bank	5,873
Federal Direct	Checking	Citizens Bank	2,239
State Flowthrough	Checking	Citizens Bank	400
Local or State	Checking	Citizens Bank	112,534
Capital Improvement SB-9	Checking	Citizens Bank	25,345
Debt Service	Checking	Citizens Bank	15,811
Student Activities	Checking	Citizens Bank	<u>45,955</u>
			<u>\$ 401,318</u>
Total San Jon Municipal School			
Total bank balances			\$ 401,318
Reconciling items-outstanding checks			<u>(52,544)</u>
Report balance			<u>\$ 348,774</u>

Net Cash End of Period	Adjustments to the Report	Total Cash on Report
\$ 124,565	\$ -	\$ 124,565
14,668	-	14,668
3	-	3
1,906	-	1,906
1,232	-	1,232
4,387	-	4,387
2	-	2
2,239	-	2,239
400	-	400
112,261	-	112,261
25,345	-	25,345
15,811	-	15,811
302,819	-	302,819
45,955	-	45,955
\$ 348,774	\$ -	\$ 348,774

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Compliance Section

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Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of the San Jon Municipal School District

Mr. Balderas and Members of the Board

I have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparison presented as supplemental information of San Jon Municipal School District (District) as of and for the year ended June 30, 2012, and have issued my report thereon dated October 18, 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 auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on 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.

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

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

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

Sandra Rush CPA PC

Sandra Rush CPA PC
October 18, 2012

Schedule of Findings and Responses
June 30, 2012

Prior Year Audit Findings	<u>Status</u>
2011-1 Budget Violation-Compliance and Internal Control-Significant Deficiency	Resolved

Condition

The district maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the Senate Bill 9 fund.

Current Year Audit Findings

None

Financial Statement Preparation

The financial statements were prepared by District personnel with assistance from Sandra Rush, CPA. The financial statements remain the responsibility of the District's management.

Exit Conference

The contents of this report were discussed with, Dale Bone, Board Vice-president, Colin Taylor, Superintendent, Lucy Heddlesten, Business Manager, Julie Bryant, Audit Committee member, and Sandra Rush, CPA, in an exit conference on November 2, 2012.

