

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**ANNUAL FINANCIAL REPORT**  
**June 30, 2011**



**Harshwal & Company LLP**  
**Certified Public Accountants**  
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# **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
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**WAGON MOUND PUBLIC SCHOOLS**  
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**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**JUNE 30, 2011**

**OFFICIAL ROSTER**

**Name**

**Board of Education**

**Title**

Don Schutz

Chairman

Camille Cornell

Vice Chair

J.D. Schmidt

Secretary

Eldie Cruz

Member

Tony Rubin

Member

**School Officials**

Albert Martinez

Superintendent

Teresa P. Casias

Business Manager

# **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

**Hector Balderas**  
**New Mexico State Auditor**  
**The Office of Management and Budget**  
**To the Board of Education**  
**Wagon Mound Public Schools**  
**Wagon Mound, New Mexico**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general funds and major funds of Wagon Mound Public Schools (the "District"), New Mexico, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the nonmajor capital project fund, nonmajor debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Wagon Mound Public Schools, New Mexico's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wagon Mound Public Schools, New Mexico, as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the general funds and major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Wagon Mound Public Schools, New Mexico as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project fund, major debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2012 on our consideration of Wagon Mound Public Schools, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements and the combining and individual fund financial statements that collectively comprise the Wagon Mound Public Schools, New Mexico, financial statements as a whole. The schedule of expenditures of federal awards and the additional schedules listed as "Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and the additional schedules listed as "Supporting Schedules" in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Harshwal & Company LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Albuquerque, New Mexico**  
**January 20, 2012**

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT- WIDE FINANCIAL  
STATEMENTS**

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

Exhibit A-1

**Governmental**  
**Activities**

<b>ASSETS</b>	
Current assets	
Cash and temporary investments	\$ 1,115,712
Receivables	58,762
Inventory	2,204
Total current assets	<u>1,176,678</u>
Noncurrent assets	
Capital assets	
Land	157,800
Land improvements	724,429
Buildings and building improvements	7,935,812
Furniture, fixtures and equipment	677,572
Less: accumulated depreciation	<u>(4,616,644)</u>
Total noncurrent assets	<u>4,878,969</u>
Total assets	<u>\$ 6,055,647</u>
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Accounts payable	\$ 24
Accrued payroll liabilities	153,325
Accrued compensated absences	14,703
Accrued interest	1,075
Deferred revenue	2,836
Current portion of long-term debt	<u>50,000</u>
Total current liabilities	<u>221,963</u>
Non current liabilities:	
Bond due in more than one year	<u>756,143</u>
Total non-current liabilities	<u>756,143</u>
Total liabilities	<u>978,106</u>
Invested in capital assets, net of related debt	4,072,826
Restricted for:	
Debt service	62,401
Capital projects	894,722
Unrestricted	<u>47,592</u>
Total net assets	<u>5,077,541</u>
Total liabilities and net assets	<u>\$ 6,055,647</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit A-2

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in Net</u> <u>Assets</u>
<u>Primary Government</u>	<u>Expenses</u>	<u>Charges for</u> <u>Service</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Assets</u>
Governmental activities:				
Instruction	\$ 1,419,063	\$ 535	\$ 402,925	\$ (1,015,603)
Support Services :				
Students	126,856		11,675	(115,181)
Instruction	55,213			(55,213)
General Administration	187,636			(187,636)
School Administration	102,596			(102,596)
Central Services	166,332			(166,332)
Operation & Maintenance of Plant	374,475			(374,475)
Student Transportation	150,869			(150,869)
Food Services Operation	95,572	2,332	17,262	(75,978)
Interest on Long-term debt	3,225			(3,225)
Total Primary Government	<u>\$ 2,681,837</u>	<u>\$ 2,867</u>	<u>\$ 431,862</u>	<u>(2,247,108)</u>
<b>General Revenues:</b>				
Property Taxes:				
Levied for general purposes				9,103
Levied for debt service				32,796
Levied for capital projects				41,084
State equalization guarantee				1,684,957
Unrestricted investment earnings				12,450
Sales of assets				1,611
Miscellaneous				79,728
Total general revenues				1,861,729
Change in net assets				(385,379)
Net assets - beginning of year				5,462,920
Net assets - end of year				\$ 5,077,541

The accompanying notes are an integral part of these financial statements

**GOVERNMENTAL FUND FINANCIAL  
STATEMENT**

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

Exhibit B-1

	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I IASA 24101
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ 117,636	\$ 7,406	\$ 452	\$ 24
Accounts receivable:				
Dues from other governments				
Interfund receivables	165,358			
Inventory				
<i>Total Assets</i>	<u>\$ 282,994</u>	<u>\$ 7,406</u>	<u>\$ 452</u>	<u>\$ 24</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 24
Accrued payroll liabilities	153,325			
Interfund payables				
Deferred revenue- other				
<i>Total liabilities</i>	<u>153,325</u>	<u>0</u>	<u>0</u>	<u>24</u>
<i>Fund balances</i>				
Non-Spendable:				
Inventories				
Restricted for:				
Capital projects				
Debt service				
Food service				
Grant activities				
Instructional materials			452	
Transportation		7,406		
Assigned to:				
Subsequent year's budget	129,669			
Unassigned				
<i>Total fund balance</i>	<u>129,669</u>	<u>7,406</u>	<u>452</u>	<u>24</u>
<i>Total liabilities and fund balance</i>	<u>\$ 282,994</u>	<u>\$ 7,406</u>	<u>\$ 452</u>	<u>\$ 24</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

21st Century Community Learning Centers 24119	Title I IASA Federal Stimulus 24201	Other Governmental Funds	Total Primary Government
\$ 0	\$ 0	\$ 990,194	\$ 1,115,712
5,596		53,166	58,762
			165,358
		<u>2,204</u>	<u>2,204</u>
<u>\$ 5,596</u>	<u>\$ 0</u>	<u>\$ 1,045,564</u>	<u>\$ 1,342,036</u>
\$ 0	\$ 0	\$ 0	\$ 24
			153,325
5,596		159,762	165,358
		<u>2,836</u>	<u>2,836</u>
<u>5,596</u>	<u>0</u>	<u>162,598</u>	<u>321,543</u>
		2,204	2,204
		894,722	894,722
		62,401	62,401
		28,684	28,684
		5,301	5,301
			452
			7,406
			129,669
		<u>(110,346)</u>	<u>(110,346)</u>
		<u>882,966</u>	<u>1,020,493</u>
<u>\$ 5,596</u>	<u>\$ 0</u>	<u>\$ 1,045,564</u>	<u>\$ 1,342,036</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Exhibit B-1
	<u>Governmental Fund</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 1,020,493
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,878,969
Accrued interest	(1,075)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	(806,143)
Accrued compensated absences	<u>(14,703)</u>
Net Assets-Total Governmental Activities	<u>\$ 5,077,541</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit B-2

	<u>Operational</u> 11000	<u>Transportation</u> 13000	<u>Instructional</u> Materials 14000	<u>Title I IASA</u> 24101
<b>REVENUES:</b>				
Property taxes	\$ 9,103	\$ 0	\$ 0	\$ 0
State grants	1,444,238	128,290	2,942	
Federal grants	15,620			169,773
Miscellaneous	66,343			
Interest	11,637			
	<u>1,546,941</u>	<u>128,290</u>	<u>2,942</u>	<u>169,773</u>
<i>Total Revenues</i>				
<b>EXPENDITURES:</b>				
Current:				
Instruction	731,273		2,490	143,339
Support Services:				
Student	115,181			
Instruction	13,426			
General Administration	180,815			3,408
School Administration	79,681			3,005
Central Services	134,094			20,021
Operation & Maintenance of Plant	313,602			
Student Transportation		133,421		
Food Services Operations	47,176			
Capital Outlay				
Debt Service:				
Principal				
Interest				
	<u>1,615,248</u>	<u>133,421</u>	<u>2,490</u>	<u>169,773</u>
<i>Total expenditures</i>				
Excess (deficiency) of revenues over (under) expenditures	<u>(68,307)</u>	<u>(5,131)</u>	<u>452</u>	<u>0</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	(68,307)	(5,131)	452	0
<i>Fund balances - beginning of year</i>	<u>197,976</u>	<u>12,537</u>	<u>0</u>	<u>0</u>
<i>Fund balances- end of year</i>	<u>\$ 129,669</u>	<u>\$ 7,406</u>	<u>\$ 452</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

21st Century Community Learning Centers 24119	Title I IASA Federal Stimulus 24201	Other Governmental Funds	Total Primary Government
\$ 0	\$ 0	\$ 73,880	\$ 82,983
		109,487	1,684,957
128,936	154	117,379	431,862
		17,863	84,206
		813	12,450
<u>128,936</u>	<u>154</u>	<u>319,422</u>	<u>2,296,458</u>
94,745	154	107,209	1,079,210
		11,675	126,856
			13,426
		1,506	185,729
19,481		429	102,596
12,217			166,332
2,493		35,318	351,413
			133,421
		38,500	85,676
		38,774	38,774
		50,000	50,000
		3,225	3,225
<u>128,936</u>	<u>154</u>	<u>286,636</u>	<u>2,336,658</u>
<u>0</u>	<u>0</u>	<u>32,786</u>	<u>(40,200)</u>
<u>0</u>	<u>0</u>	<u>756,143</u>	<u>756,143</u>
<u>0</u>	<u>0</u>	<u>756,143</u>	<u>756,143</u>
0	0	788,929	715,943
<u>0</u>	<u>0</u>	<u>94,037</u>	<u>304,550</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 882,966</u>	<u>\$ 1,020,493</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUNDS BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit B-2

Governmental  
Fund

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

Net change in fund balances - total governmental funds \$ 715,943

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

Depreciation expense	(433,409)
Capital Outlays	38,774

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Proceeds from bond issuance	(756,143)
-----------------------------	-----------

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

Increase in accrued compensated absences	(544)
Principal payments on bonds	<u>50,000</u>

Change in Net Assets-total Governmental Activities \$ (385,379)

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**OPERATIONAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit C-1

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Property taxes	\$ 9,583	\$ 9,583	\$ 9,103	\$ (480)
State grants	1,667,742	1,639,666	1,444,238	(195,428)
Federal Grants	18,930	18,930	15,620	(3,310)
Miscellaneous	950	950	66,343	65,393
Interest	6,200	6,200	11,637	5,437
<i>Total Revenues</i>	1,703,405	1,675,329	1,546,941	(128,388)
<b>EXPENDITURES:</b>				
Current:				
Instruction	842,243	845,994	731,273	114,721
Support Services:				
Student	126,581	140,469	115,181	25,288
Instruction	15,644	15,800	13,426	2,374
General Administration	188,730	193,730	180,815	12,915
School Administration	106,575	108,878	79,681	29,197
Central Services	135,069	135,819	134,094	1,725
Operation & Maintenance of Plant	370,304	371,130	313,602	57,528
Food Services Operations	54,187	54,503	47,176	7,327
<i>Total expenditures</i>	1,839,333	1,866,323	1,615,248	251,075
Excess (deficiency) of revenues over (under) expenditures	(135,928)	(190,994)	(68,307)	(122,687)
<i>Other financing sources (uses):</i>				
Designated Cash	135,928	190,994	0	(190,994)
<i>Total other financing sources (uses)</i>	135,928	190,994	0	(190,994)
<i>Net changes in fund balances</i>	0	0	(68,307)	(68,307)
<i>Fund balances - beginning of year</i>	0	0	197,976	197,976
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 129,669	\$ 129,669

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TRANSPORTATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit C-2

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
State grants	\$ 141,040	\$ 134,558	\$ 128,290	\$ (6,268)
<i>Total Revenues</i>	141,040	134,558	128,290	(6,268)
<b>EXPENDITURES:</b>				
Current:				
Student Transportation	141,040	134,558	133,421	1,137
<i>Total expenditures</i>	141,040	134,558	133,421	1,137
Excess (deficiency) of revenues over (under) expenditures	0	0	(5,131)	5,131
<i>Net changes in fund balances</i>	0	0	(5,131)	(5,131)
<i>Fund balances - beginning of year</i>	0	0	12,537	12,537
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 7,406	\$ 7,406

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**INSTRUCTIONAL MATERIALS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Exhibit C-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
State grants	\$ 2,718	\$ 2,718	\$ 2,942	\$ 224
<i>Total Revenues</i>	2,718	2,718	2,942	224
<b>EXPENDITURES:</b>				
Current:				
Instruction	2,718	2,718	2,490	228
<i>Total expenditures</i>	2,718	2,718	2,490	228
Excess (deficiency) of revenues over (under) expenditures	0	0	452	(452)
<i>Net changes in fund balances</i>	0	0	452	452
<i>Fund balances - beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 452	\$ 452

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TITLE I - IASA SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Exhibit C-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES::</b>				
Federal grants	\$ 150,520	\$ 184,439	\$ 169,773	\$ (14,666)
<i>Total Revenues</i>	150,520	184,439	169,773	(14,666)
<b>EXPENDITURES:</b>				
Current:				
Instruction	125,642	157,634	143,339	14,295
Support Services				
General Administration	1,481	3,408	3,408	0
School Administration	3,073	3,073	3,005	68
Central Services	20,224	20,224	20,021	203
Operation & Maintenance of Plant	100	100		100
<i>Total expenditures</i>	150,520	184,439	169,773	14,666
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**21ST CENTURY COMMUNITY LEARNING CENTERS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Exhibit C-5

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Federal grants	\$ 65,800	\$ 142,062	\$ 128,936	\$ (13,126)
<i>Total Revenues</i>	65,800	142,062	128,936	(13,126)
<b>EXPENDITURES:</b>				
Current:				
Instruction	40,518	105,100	94,745	10,355
Support Services				
School Administration	19,286	20,268	19,481	787
Central Services	4,096	11,369	12,217	(848)
Operation & Maintenance of Plant	1,900	5,325	2,493	2,832
<i>Total expenditures</i>	65,800	142,062	128,936	13,126
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TITLE I- IASA PROGRAM SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Exhibit C-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Federal Grants	\$ 0	\$ 0	\$ 154	\$ 154
<i>Total Revenues</i>	0	0	154	154
<b>EXPENDITURES:</b>				
Current:				
Instruction	8,387	154	154	0
<i>Total expenditures</i>	8,387	154	154	0
Excess (deficiency) of revenues over (under) expenditures	(8,387)	(154)	0	(154)
<i>Other financing sources (uses):</i>				
Designated Cash	8,387	154	0	(154)
<i>Total other financing sources (uses)</i>	8,387	154	0	(154)
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

Exhibit D-1

**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and short term investments	\$ 5,012	\$ 34,770
Unrestricted investments	<u>22,238</u>	<u>          </u>
<i>Total assets</i>	<u>27,250</u>	<u>34,770</u>
<b>LIABILITIES</b>		
Due to student groups	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>		
Held in Trust for School Library	<u>\$ 27,250</u>	<u>\$ 34,770</u>

**STATEMENT OF CHANGES IN NET ASSETS**  
**For the Year Ended JUNE 30, 2011**

	<u>Private Purpose Trust Fund</u>
<b>INCOME</b>	
Donations recorded	\$ 589
Gain on investments	<u>5,266</u>
<i>Total Income (loss)</i>	<u>5,855</u>
<b>DEDUCTIONS</b>	
Expenditures	<u>0</u>
<i>Total deductions</i>	<u>0</u>
<b>Net Increase (Decrease)</b>	5,855
<i>Net Assets - beginning of year</i>	<u>21,395</u>
<i>Net Assets - end of year</i>	<u>\$ 27,250</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies**

The Wagon Mound Public School District (the “District”) has been in existence since the early nineteen hundreds and is currently operating under the provision of the Public School Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 and is governed by a five member board (the “Board”) each elected for four year terms by registered voters of the District.

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

A. *Reporting Entity*

GASB Statement No. 14 established criteria for determining the government 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 also has no *component units*, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, as there are no other legally separate organizations for which the elected School Board members are financially accountable.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

B. *Government-wide and fund financial statement - (Continued)*

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. *Measurement focus, basis of accounting, and financial statement presentation*

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

C. *Measurement focus, basis of accounting, and financial statement presentation - (Continued)*

classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. The fiduciary fund consists of the following two funds:

The *Private Purpose Trust Fund* accounts for assets held by the District as an agent for the Wagon Mound Public Library Board of Directors. The intent of the donors was that principal and income of stock donated to the District could only be used for the School library.

The *Agency Funds* account for resources held by the District in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to student activity groups.

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 long-term debt. Governmental funds include:

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

C. *Measurement focus, basis of accounting, and financial statement presentation - (continued)*

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *Debt Service Funds* account for the services of long-term debt not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB statement no.34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

The *Transportation Fund* is used to account for the State Equalization, received from the Public Education Department (PED), which is used to pay for the costs associated with transporting school age children. This is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* is used to account for the monies received from the Public Education Department (PED) for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

The *Title I - IASA Special Revenue Fund* provides supplemental educational opportunities for academically disadvantaged children residing in the area. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a 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 criterion that identifies a campus; educational need determines 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 creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

C. *Measurement focus, basis of accounting, and financial statement presentation - (continued)*

The *21st Century Community Learning Centers Special Revenue Fund* is used to account for federal funds utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community as a classroom. (P.L. 103-382)

The *Title I - IASA - Federal Stimulus Special Revenue Fund* was created under the American Recovery and Reinvestment Act of 2009 (ARRA), these federal funds are intended to create an opportunity for educators to implement strategies that will improve education for at-risk students and close the achievement gaps while also stimulating the economy.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and Magnet school funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

C. *Measurement focus, basis of accounting, and financial statement presentation - (continued)*

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

*New Pronouncement*

The GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosures of nonspendable and spendable resources.

D. *Assets, Liabilities and Net Assets or Equity*

**Cash and Temporary Investments:** 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.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

D. *Assets, Liabilities and Net Assets or Equity - (Continued)*

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

The District receives monthly income from a tax levy in Mora 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 amount remitted by the Mora County Treasurer in July and August 2011 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2011.

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

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Instructional Materials:** The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while the other fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the other fifty percent account for requisition of material from the adopted list.

**Inventory:** Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity 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. No deferred revenue was recorded for unused commodity inventory as of June 30, 2011.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

**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 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. Library books are also being capitalized and depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation. During the year ended June 30, 2011 the District received no donated capital assets.

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

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 during the year ended June 30, 2011

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

Buildings and Improvements	20-50 years
Land Improvements	20 years
Furniture, Fixtures and Equipment	5-10 years

**Deferred Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**Compensated Absences:** All personnel employed by the District shall be entitled to leave as per the following categories and schedules:

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

Annual Leave: Twelve-month employees shall be entitled to annual leave with full pay computed on the following basis per year:

1-4 consecutive years of employment	10 days
5-19 consecutive years of employment	15 days
20+ consecutive years of employment	20 days

Twelve-month employees who have resigned, retired, or who have been laid off or dismissed, shall be entitled to and shall be paid for a maximum of 20 days of earned and unused annual leave.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- a. The employees' right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net assets.

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

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

**Net Assets or Fund Equity:** In the government-wide financial statements, fund equity is classified as net assets and is displayed in the following components:

*Invested in capital assets, net of related debt:* Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The District has inventories that considered nonspendable. The District will maintain a fund balance equal to the balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset with liabilities and actually result in fund balance). The District does not have any prepaid items or nonspendable fund related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Nonspendable: includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority or the Board of Education. Commitments will only be used for specific purposes pursuant to a formal action of the Board of Education.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balances of the general fund that is not constrained for any particular purpose.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has inventories totaling \$2,204 that are classified as nonspendable.

Spendable: The District has classified the spendable fund balances as Restricted, Assigned and Unassigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed.

- Restricted for Grant Activities, Food Service, Instructional Materials, Debt Service, Capital Projects and Transportation:  
Federal and State Laws, and New Mexico Statutes require that certain revenues be specifically designed for the purposes of federal and state grant activities, food service, debt service and capital projects. The funds have been included in restricted category of fund balance. The restricted fund balances totaled \$5,301 for grant activities, \$28,684 for food service, \$62,401 for debt service, \$452 for instructional materials, \$7,406 transportation and \$785,290 for capital projects.
- Assigned to Subsequent Year's Budget:  
The District has assigned fund balance for the subsequent year's budget for \$129,669.
- Unassigned:  
The District has unassigned fund balance deficit of \$914. This deficit is expected to be funded by additional capital project funds.

**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.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

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

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financial statements include management's estimate of the useful lives of capital assets.

E. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$964,238 in state equalization guarantee distributions during the year ended June 30, 2011.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available'. The District recognized \$82,983 in tax revenues during the year ended June 30, 2011. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Mora County levies and collects the property taxes on real property for Wagon Mound Public schools on November 10 and April 10. Taxes become delinquent on December 10 and May 10 of each year and liens are filed by Mora County on property that is delinquent for three years. Property taxes collected and held by the county at year end on behalf of the District are included in due from other governments.



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

E. *Revenues* - (Continued)

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$128,290 in transportation distributions during the year ended June 30, 2011

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2011 totaled \$2,942.

**Public School Capital Outlay:** Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

E. *Revenues - (continued)*

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2011, the District did not receive any special capital outlay (state) funds.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$78,863 in state SB-9 matching during the year ended June 30, 2011.

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 2. Stewardship, Compliance and Accountability**

F. *Budgetary Information*

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

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

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
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**JUNE 30, 2011**

**NOTE 2. Stewardship, Compliance and Accountability**

F. *Budgetary Information - (continued)*

4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. 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 DBPU.
5. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. 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 Wagon Mound Public Schools 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.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
10. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 2. Stewardship, Compliance and Accountability - (Continued)**

F. *Budgetary Information - (continued)*

New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2011, is presented.

**NOTE 3. Cash and Temporary Investments**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations.

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

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

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

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

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 3. Cash and Temporary Investments - (Continued)**

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, until December 31, 2010, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

**Deposits**

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	<b>Wells Fargo Bank</b>	<b>First Community Bank</b>	<b>Total</b>
Total amounts of deposits	\$ 3,379	\$ 1,270,247	\$ 1,273,626
FDIC coverage	3,379	250,000	253,379
Total uninsured public funds	0	1,020,247	1,020,247
 Pledged collateral held by pledging bank's trust department or agent but not in the District's name	 0	 188,928	 188,928
 Uninsured and uncollateralized	 0	 831,319	 831,319
 Collateral requirement (50% of uninsured public funds)	 0	 510,124	 510,124
Pledged security	0	188,928	188,928
Total under (over) collateralized	\$ 0	\$ 321,196	\$ 321,196

*Custodial Credit Risk – Deposits.* 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, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2011, \$1,020,247 of the District's bank balance of \$1,273,626 was exposed to custodial credit risk as \$188,928 was uninsured and the collateral was held by the pledging bank's trust department not in the District's name and the remaining \$831,319 was uninsured and uncollateralized.

At June 30, 2011, the carrying amount of these deposits was \$1,115,712.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3. Cash and Temporary Investments - (Continued)**

**Investments**

As of June 30, 2011, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>Less than 1 year</u>
Common Stock	\$ 22,198	\$ 22,198

**Reconciliation of Cash and Temporary Investments**

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 1,115,712
Statement of Fiduciary Net Assets – cash per Exhibit D-1	<u>39,782</u>
	1,155,494
Add outstanding checks and other reconciling items	<u>140,330</u>
	1,295,824
Less common stock	<u>(22,198)</u>
Bank balance of deposits	<u><u>\$ 1,273,626</u></u>

**NOTE 4. Receivables**

Receivables as of June 30, 2011, are as follows:

	<u>Non- Major funds</u>
Intergovernmental - grants	\$ 14,579
Other	<u>44,183</u>
Total receivables	<u><u>\$ 58,762</u></u>

The above receivables are deemed 100% collectible. In accordance with GASB statement no.33, property tax receivables should be presented net of deferred revenues on the governmental fund financial statements. However, we were unable to obtain the delinquent property taxes from the County.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 5. Interfund Receivables, Payables, and Transfers**

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances as of June 30, 2011 is as follows:

<b>Governmental Activities:</b>	Interfund Receivables	Interfund Payables
<b>Major Funds:</b>		
General Fund	\$ 165,358	\$ 0
<b>Nonmajor Funds:</b>		
21st Century Community Learning Centers		5,596
Discretionary IDEA-B		4,840
IDEA-B Stimulus		3,400
Preschool Stimulus		548
Teacher/Principal Training & Recruiting		5,093
Entitlement IDEA-B – Federal Stimulus		1,054
Educational Technology		109,432
Title I School Improvement		34,844
Rural Education Achievement Program		551
Total Governmental Activities	\$ 165,358	\$ 165,358



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
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JUNE 30, 2011

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2011 follows. Land is not subject to depreciation.

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Capital Assets not being depreciated:				
Land	\$ 157,800	\$ 0	\$ 0	\$ 157,800
	<u>157,800</u>	<u>0</u>	<u>0</u>	<u>157,800</u>
Capital assets being depreciated:				
Land improvements	724,429	0	0	724,429
Buildings and building improvements	7,935,812	0	0	7,935,812
Equipment and vehicles	666,877	38,774	28,079	677,572
Total Capital Assets being depreciated:	<u>9,484,918</u>	<u>38,774</u>	<u>28,079</u>	<u>9,495,613</u>
Less Accumulated Depreciation for:				
Land and land improvements	404,883	32,373	0	437,256
Buildings and building improvements	3,433,825	343,578	0	3,777,403
Equipment and vehicles	372,606	57,458	28,079	401,985
Total Accumulated depreciation:	<u>4,211,314</u>	<u>433,409</u>	<u>28,079</u>	<u>4,616,644</u>
Governmental activities capital assets, net:	<u>\$ 5,273,604</u>	<u>\$ (394,635)</u>	<u>\$ 0</u>	<u>\$ 4,878,969</u>

Depreciation expense for the year ended June 30, 2011 was charged to governmental activities as follows:

Instruction	\$ 41,787
Support Services – General Administration	1,907
Operation and Maintenance of Plant	23,062
Food Services	9,896
Transportation	17,448
Capital Outlay	339,309
	<u>\$ 433,409</u>

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7. Long - term Debt**

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30,2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2011</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$ 100,000	\$ 756,143	\$ (50,000)	\$ 806,143	\$ 50,000
Compensated Absences	<u>14,159</u>	<u>15,862</u>	<u>(15,318)</u>	<u>14,703</u>	<u>14,700</u>
Total	<u>\$ 114,159</u>	<u>\$ 772,005</u>	<u>\$ (65,318)</u>	<u>\$ 820,846</u>	<u>\$ 64,700</u>

*General Obligation Bond:* The School had general obligation bond series outstanding during the fiscal year ending June 30, 2011.

*GENERAL OBLIGATION SCHOOL BONDS SERIES 2011:*

The series 2011 Bonds are issued dated May 15, 2011. The Bonds are General Obligation bonds authorized at a regular election held within the District on February 1, 2011 and by Resolution of the Board of Education adopted on March 16, 2011 ("Resolution"), and are issued pursuant to NMSA 1978, Sections 6-5-1 through 6-15-10, as amended. The purpose of the Bonds is to erect, remodel, make addition to and furnish school buildings, purchase or improve school grounds, purchase computer software and hardware for student use in public schools, provide matching funds for capital outlay projects funded pursuant to the Public School Capital Act and to reimburse the District for expenditures made by the District for the foregoing purposes or any combination of these purposes, said bonds to be payable from general (ad valorem) taxes and to be issued and sold at such time or times upon such terms and conditions as the Board may determine.

The Bonds are General Obligation School Bonds of the District and are payable from general ad valorem taxes which may be levied against all taxable property within the District without limitation as to rate or amount. The series 2011 Bonds are payable annually commencing on May 15, 2012 through 2024 and interest is payable May 15 and November 15, commencing May 15, 2012.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 7. Long - term Debt (Continued)**

The annual requirements to amortize the Bonds as of June 30, 2011 including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 50,000	\$ 30,707	\$ 80,707
2013	50,000	27,882	77,882
2014	50,000	26,132	76,132
2015	50,000	24,382	74,382
2016	50,000	22,632	72,632
2017 - 2021	325,000	81,520	406,520
2022 - 2024	231,143	17,326	248,469
Totals	<u>\$ 806,143</u>	<u>\$ 230,581</u>	<u>\$ 1,036,724</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2011, compensated absences increased \$544 over the prior year accrual. See Note 1 for more details

**NOTE 8. Risk Management**

The District is a member of the New Mexico Public Schools 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 Security, which includes a \$750 deductible.

**STATE OF NEW MEXICO**  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 8. Risk Management (Continued)**

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, 2011, there have been no claims that have exceeded insurance coverage.

**NOTE 9. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combined Statement of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2011:

<b>Non Major Funds:</b>	
Education Technology Equipment	\$ 109,432
Breakfast for Elementary Students SRF	914
Total	<u>\$ 110,346</u>

These deficits are expected to be funded by additional grant funds.

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2011.

<b>Major Funds:</b>	
21st Century Community Learning Center	
Central Services	\$ 848
<b>Nonmajor Funds:</b>	
Athletics	
Instruction	211
USDA Equipment Assistance Program	
Food Services Operation	10,000
Child and Adult Food Program	
Food Services Operation	103
Cap. Improvement SB-9 Cap Proj. Fund	<u>35,318</u>
Total	<u>\$ 46,480</u>

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
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**JUNE 30, 2011**

**NOTE 10. Pension Plan - Education Retirement Board**

*Plan Description.* Substantially all of the Wagon Mound Public School'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](http://www.nmerb.org).

*Funding Policy.* Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. Wagon Mound Public Schools was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, and the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and Wagon Mound Public School's are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Wagon Mound Public School's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$132,077 \$141,281, and \$212,754, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description.* Wagon Mound Public Schools contributes to the New Mexico Retiree Health Care Fund, a costsharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The 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.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan - (continued)**

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 post-employment 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](http://www.nmrhca.state.nm.us).

(1)The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan - (continued)**

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, 2011, 2010, and 2009 were \$19,681, \$16,534, and \$16,606, respectively, which equal the required contributions for each year.

**NOTE 12. 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.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 13. Deferred Revenue**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor.

**NOTE 14. Budgeted Activity Funds**

The Student Activity Funds, while budgeted under Non-Instructional Support in the financial statements, are considered for reporting purposes as agency funds and the related activity has been reported as such in the Statement of Changes in Assets and Liabilities – All Agency Funds section of the financial statements.

# **SUPPLEMENTARY INFORMATION**



# **NONMAJOR GOVERNMENTAL FUNDS**

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**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
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Statement A-1

	Special Revenue	Capital Project	Debt Service	Total
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ 33,071	\$ 894,722	\$ 62,401	\$ 990,194
Accounts Receivable:				
Dues from other governments	53,166			53,166
Inventory	2,204	_____	_____	2,204
<i>Total Assets</i>	\$ 88,441	\$ 894,722	\$ 62,401	\$ 1,045,564
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Interfund payables	\$ 50,330	\$ 109,432	\$ 0	\$ 159,762
Deferred revenue - other	2,836	_____	_____	2,836
<i>Total liabilities</i>	53,166	109,432	0	162,598
<i>Fund balances</i>				
Non-Spendable:				
Inventories	2,204			2,204
Restricted for:				
Capital projects		894,722		894,722
Debt service			62,401	62,401
Food service	28,684			28,684
Grant activities	5,301			5,301
Unassigned	(914)	(109,432)	_____	(110,346)
<i>Total fund balances</i>	35,275	785,290	62,401	882,966
<i>Total liabilities and fund balance</i>	\$ 88,441	\$ 894,722	\$ 62,401	\$ 1,045,564

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
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Statement A-2

	Special Revenue	Capital Project	Debt Service	Total
<b>REVENUES:</b>				
Property taxes	\$ 0	\$ 41,084	\$ 32,796	\$ 73,880
State grants	30,624	78,863		109,487
Federal Grants	117,379			117,379
Miscellaneous	17,863			17,863
Interest	<u>813</u>			<u>813</u>
<i>Total Revenues</i>	<u>166,679</u>	<u>119,947</u>	<u>32,796</u>	<u>319,422</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	107,209			107,209
Support Services:				
Student	11,675			11,675
General Administration	768	411	327	1,506
School Administration	429			429
Operation & Maintenance of Plant		35,318		35,318
Food Services Operations	38,500			38,500
Capital Outlay		38,774		38,774
Debt Service - Principal			50,000	50,000
Debt Service - Interest			<u>3,225</u>	<u>3,225</u>
<i>Total expenditures</i>	<u>158,581</u>	<u>74,503</u>	<u>53,552</u>	<u>286,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,098</u>	<u>45,444</u>	<u>(20,756)</u>	<u>32,786</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues		<u>756,143</u>		<u>756,143</u>
<i>Total other financing sources (uses)</i>	<u>0</u>	<u>756,143</u>	<u>0</u>	<u>756,143</u>
<i>Net changes in fund balances</i>	<u>8,098</u>	<u>801,587</u>	<u>(20,756)</u>	<u>788,929</u>
<i>Fund balances - beginning of year</i>	<u>27,177</u>	<u>(16,297)</u>	<u>83,157</u>	<u>94,037</u>
<i>Fund balances - end of year</i>	<u>\$ 35,275</u>	<u>\$ 785,290</u>	<u>\$ 62,401</u>	<u>\$ 882,966</u>

The accompanying notes are an integral part of these financial statements

# **SPECIAL REVENUE FUNDS**

## SPECIAL REVENUE FUNDS

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

**Food Services (21000)** – To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from patrons' fees and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

**Athletics (22000)** – To account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Entitlement IDEA-B (24106)** – (Entitlement IDEA B – Federal Stimulus (24206)) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

**Discretionary IDEA-B (24107)** – To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to all children with disabilities. Authorized by individuals with Disabilities Education Act (IDEA), Part B, Sections 611, as amended, 20 U.S.C. 1411.

**21st Century Community Learning Centers (24119)** – To account for an account for federal funds utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community as a classroom. (P.L. 103-382)

**Teacher/Principal Training & Recruiting (24154)** – 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.

**Title IV – Safe & Drug Free Schools & Community (24157)** – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**Title I ARRA - IASA - Federal Stimulus (24201)** - To account for funds received under the American Recovery and Reinvestment Act of 2009 (ARRA). These federal funds are intended to create an opportunity for educators to implement strategies that will improve education for at-risk students and close the achievements gaps while also stimulating the economy.

## **SPECIAL REVENUE FUNDS - (continued)**

**IDEA-B Entitlement Federal Stimulus (24206) and IDEA-B Preschool Federal Stimulus (24209) -** To account for a program funded by a Federal grant to assist the schools in providing instructional materials and equipment for students, including preschool students, with disabilities and training for staff in the use of those items. Authority for the creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D, Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Laws 105-17. This grant is subject to the provisions IDEA and of the General Education Provisions Act (P.L. 103-382) and to the Education Department General Administrative Regulations (EDGAR) in 34 CFR Parts 76, 77, 80, 81, 82 and 85.

**Child and Adult Food Program (25171)** – A Summer Food program sponsored by the Children Youth and Families Division. They provide guidance for the preparation and delivery of meals to children ages 0-18 for free and to adults for a cost set by the sponsoring agency. The program is from June 1, 2010 through August 31, 2010. Reimbursements are processed using the USDA meal rates and claims are processed through the CYFD claims site over the Internet. Payments are processed via ACH after approval by DFA.

**Rural Education Achievement (25233)** – This grant award issued by the U.S. Department of Education under the Rural Achievement Program (REAP) is intended to assist the District in raising student academic achievement and meeting the State’s definition of adequate yearly progress.

**State Equalization Guarantee – Federal Stimulus (25250)** – Funding for the support of public elementary, secondary, post secondary and, as applicable, for early childhood programs and services. **Dual Credit Instructional Materials (27103)** – A onetime appropriation for school year 2009-2010 for dual credit materials for fall and spring semesters.

**Breakfast for Elementary Students (27155)** – The 2005 Legislative General Appropriations Act allocated 475,000.00 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

**Sun Safety (28146)** – To account for funds administered through the NM Department of Health to promote sun-safety education to reduce the risk for developing skin cancer.

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Statement B-1

	Food Services 21000	Athletics 22000	Entitlement IDEA-B 24106	Discretionary IDEA-B 24107
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Temporary investments	\$ 28,684	\$ 5,239	\$ 0	\$ 0
Accounts Receivable :				
Due from other governments			3,890	4,840
Inventory	<u>2,204</u>			
<i>Total Assets</i>	<u>\$ 30,888</u>	<u>\$ 5,239</u>	<u>\$ 3,890</u>	<u>\$ 4,840</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Interfund payables	\$ 0	\$ 0	\$ 1,054	\$ 4,840
Deferred revenue- other			<u>2,836</u>	
<i>Total liabilities</i>	<u>0</u>	<u>0</u>	<u>3,890</u>	<u>4,840</u>
 <i>Fund balances</i>				
Non-Spendable:				
Inventories	2,204			
Restricted for:				
Food service	28,684			
Grant activities		5,239		
Unassigned				
<i>Total fund balance</i>	<u>30,888</u>	<u>5,239</u>	<u>0</u>	<u>0</u>
<i>Total liabilities and fund balance</i>	<u>\$ 30,888</u>	<u>\$ 5,239</u>	<u>\$ 3,890</u>	<u>\$ 4,840</u>

The accompanying notes are an integral part of these financial statements

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	Teacher Principal Training 24154	Title IV-A Safe & Drug Free Schools 24157	Title I Schools Improvement 24162	USDA Equipment Assistance Program 24183
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Temporary investments	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Receivable :				
Due from other governments	5,093		34,844	
Inventory				
<i>Total Assets</i>	<u>\$ 5,093</u>	<u>\$ 0</u>	<u>\$ 34,844</u>	<u>\$ 0</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Interfund payables	\$ 5,093	\$ 0	\$ 34,844	\$ 0
Deferred revenue- other				
<i>Total liabilities</i>	<u>5,093</u>	<u>0</u>	<u>34,844</u>	<u>0</u>
 <i>Fund balances</i>				
Non-Spendable:				
Inventories				
Restricted for:				
Food service				
Grant activities				
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total fund balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total liabilities and fund balance</i>	<u>\$ 5,093</u>	<u>\$ 0</u>	<u>\$ 34,844</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements



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	Entitlement IDEA B Federal 24206	Preschool IDEA B Federal Stimulus 24209	ARRA Elementary Breakfast 24290	Child & Adult Food Program 25171
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Temporary investments	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Receivable :				
Due from other governments	3,400	548		
Inventory				
<i>Total Assets</i>	<u>\$ 3,400</u>	<u>\$ 548</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Interfund payables	\$ 3,400	\$ 548	\$ 0	\$ 0
Deferred revenue- other				
<i>Total liabilities</i>	<u>3,400</u>	<u>548</u>	<u>0</u>	<u>0</u>
 <i>Fund balances</i>				
Non-Spendable:				
Inventories				
Restricted for:				
Food service				
Grant activities				
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total fund balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total liabilities and fund balance</i>	<u>\$ 3,400</u>	<u>\$ 548</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

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	<u>Rural Education Achievement 25233</u>	<u>SEG Federal Stimulus 25250</u>	<u>Education Job Fund 25255</u>	<u>Technology for Education PED 27117</u>
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Temporary investments	\$ 0	\$ 0	\$ 0	\$ 0
Accounts Receivable :				
Due from other governments	551			
Inventory				
<i>Total Assets</i>	<u>\$ 551</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Interfund payables	\$ 551	\$ 0	\$ 0	\$ 0
Deferred revenue- other				
<i>Total liabilities</i>	<u>551</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <i>Fund balances</i>				
Non-Spendable:				
Inventories				
Restricted for:				
Food service				
Grant activities				
Unassigned				
<i>Total fund balance</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total liabilities and fund balance</i>	<u>\$ 551</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

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	Breakfast for Elementary Students 27155	2008 Library Book Fund 27549	Sun Safety 28146	<u>Total</u>
<b>Assets</b>				
<i>Current Assets</i>				
Cash and Temporary investments	\$ (914)	\$ 0	\$ 62	\$ 33,071
Accounts Receivable :				
Due from other governments				53,166
Inventory				2,204
<i>Total Assets</i>	<u>\$ (914)</u>	<u>\$ 0</u>	<u>\$ 62</u>	<u>\$ 88,441</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Interfund payables	\$ 0	\$ 0	\$ 0	\$ 50,330
Deferred revenue- other				2,836
<i>Total liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,166</u>
 <i>Fund balances</i>				
Non-Spendable:				
Inventories				2,204
Restricted for:				
Food service				28,684
Grant activities			62	5,301
Unassigned	<u>(914)</u>			<u>(914)</u>
<i>Total fund balance</i>	<u>(914)</u>	<u>0</u>	<u>62</u>	<u>35,275</u>
<i>Total liabilities and fund balance</i>	<u>\$ (914)</u>	<u>\$ 0</u>	<u>\$ 62</u>	<u>\$ 88,441</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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Statement B-2

	Food Services 21000	Athletics 22000	Entitlement IDEA-B 24106	Principal Training 24154	Title IV- safe & Drug Free Schools 24157
<b>Revenues:</b>					
State grants	\$ 29,124	\$ 0	\$ 0	\$ 0	\$ 0
Federal Grants	3,212		11,675	13,512	48
Miscellaneous	2,344	15,519			
Interest	<u>612</u>	<u>201</u>			
<i>Total Revenues</i>	<u>35,292</u>	<u>15,720</u>	<u>11,675</u>	<u>13,512</u>	<u>48</u>
<b>Expenditures:</b>					
Current:					
Instruction		17,067		12,744	48
Support Services:					
Student			11,675		
General Administration				768	
School Administration					
Other Support Service					
Food services Operations	24,450				
Community Service					
<i>Total expenditures</i>	<u>24,450</u>	<u>17,067</u>	<u>11,675</u>	<u>13,512</u>	<u>48</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,842</u>	<u>(1,347)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	10,842	(1,347)	0	0	0
<i>Fund balances - beginning of year</i>	<u>20,046</u>	<u>6,586</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 30,888</u>	<u>\$ 5,239</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
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**CHANGES IN FUND BALANCES**  
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	Title I Schools Improvement 24162	USDA Equipment Assistance Program 24183	Entitlement IDEA B Federal 24206	Preschool IDEA B Federal Stimulus 24209
<b>Revenues:</b>				
State grants	\$ 0	\$ 0	\$ 0	\$ 0
Federal Grants	34,844	10,000	506	548
Miscellaneous Interest				
<i>Total Revenues</i>	<u>34,844</u>	<u>10,000</u>	<u>506</u>	<u>548</u>
<b>Expenditures:</b>				
Current:				
Instruction	34,844		506	548
Support Services:				
Student				
General Administration				
School Administration				
Other Support Service				
Food services Operations		10,000		
Community Service				
<i>Total expenditures</i>	<u>34,844</u>	<u>10,000</u>	<u>506</u>	<u>548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

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	ARRA Elementary Breakfast 24290	Child & Adult Food Program 25171	Rural Education Achievement 25233	SEG Federal Stimulus 25250	Education Job Fund 25255
<b>Revenues:</b>					
State grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Grants	2,000	2,050	649	10,377	27,958
Miscellaneous Interest					
<i>Total Revenues</i>	<u>2,000</u>	<u>2,050</u>	<u>649</u>	<u>10,377</u>	<u>27,958</u>
<b>Expenditures:</b>					
Current:					
Instruction			649	10,377	27,958
Support Services:					
Student					
General Administration					
School Administration					
Other Support Service					
Food services Operations	2,000	2,050			
Community Service					
<i>Total expenditures</i>	<u>2,000</u>	<u>2,050</u>	<u>649</u>	<u>10,377</u>	<u>27,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	0	0	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
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**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
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	Technology for Education PED 27117	Breakfast for Elementary Students 27155	2008 Library Book Fund 27549	Sun Safety 28146	Total
<b>Revenues:</b>					
State grants	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 30,624
Federal Grants					117,379
Miscellaneous					17,863
Interest					813
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,500</u>	<u>166,679</u>
<b>Expenditures:</b>					
Current:					
Instruction	661			1,807	107,209
Support Services:					
Student					11,675
General Administration					768
School Administration				429	429
Other Support Service					
Food services Operations					38,500
Community Service					
<i>Total expenditures</i>	<u>661</u>	<u>0</u>	<u>0</u>	<u>2,236</u>	<u>158,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(661)</u>	<u>0</u>	<u>0</u>	<u>(736)</u>	<u>8,098</u>
<i>Net changes in fund balances</i>	(661)	0	0	(736)	8,098
<i>Fund balances - beginning of year</i>	<u>661</u>	<u>(914)</u>	<u>234</u>	<u>564</u>	<u>27,177</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ (914)</u>	<u>\$ 234</u>	<u>\$ (172)</u>	<u>\$ 35,275</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**FOOD SERVICES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
State grants	\$ 0	\$ 0	\$ 29,124	\$ 29,124
Federal grants	26,300	26,300	3,212	(23,088)
Miscellaneous	2,700	2,700	2,344	(356)
Interest	300	300	612	312
<i>Total Revenues</i>	29,300	29,300	35,292	5,992
<b>EXPENDITURES:</b>				
Current:				
Food services Operations	40,303	47,341	24,450	22,891
<i>Total expenditures</i>	40,303	47,341	24,450	22,891
Excess (deficiency) of revenues over (under) expenditures	(11,003)	(18,041)	10,842	(28,883)
<i>Other financing sources (uses):</i>				
Designated Cash	11,003	18,041		(18,041)
<i>Total other financing sources (uses)</i>	11,003	18,041	0	(18,041)
<i>Net changes in fund balances</i>	0	0	10,842	10,842
<i>Fund balances - beginning of year</i>	0	0	20,046	20,046
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 30,888	\$ 30,888

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**ATHLETICS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Miscellaneous	\$ 10,200	\$ 10,200	\$ 15,519	\$ 5,319
Interest	70	70	201	131
<i>Total Revenues</i>	10,270	10,270	15,720	5,450
<b>EXPENDITURES:</b>				
Current:				
Instruction	15,899	16,856	17,067	(211)
<i>Total expenditures</i>	15,899	16,856	17,067	(211)
Excess (deficiency) of revenues over (under) expenditures	(5,629)	(6,586)	(1,347)	(5,239)
<i>Other financing sources (uses):</i>				
Designated Cash	5,629	6,586	0	(6,586)
<i>Total other financing sources (uses)</i>	5,629	6,586	0	(6,586)
<i>Net changes in fund balances</i>	0	0	(1,347)	(1,347)
<i>Fund balances - beginning of year</i>	0	0	6,586	6,586
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 5,239	\$ 5,239

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**ENTITLEMENT IDEA-B SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-5

	<u>Budgeted Amounts</u>		
	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
Federal grants	\$ 43,942	\$ 11,675	\$ (32,267)
<i>Total Revenues</i>	<u>43,942</u>	<u>11,675</u>	<u>(32,267)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction	5,623	0	5,623
Student	<u>38,319</u>	<u>11,675</u>	<u>26,644</u>
<i>Total expenditures</i>	<u>43,942</u>	<u>11,675</u>	<u>32,267</u>
<i>Net changes in fund balances</i>	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TEACHER/PRINCIPAL TRAINING SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Federal grants	\$ 13,509	\$ 13,512	\$ 13,512	\$ 0
<i>Total Revenues</i>	13,509	13,512	13,512	0
<b>EXPENDITURES:</b>				
Current:				
Instruction	12,741	12,744	12,744	0
General Administration	768	768	768	0
<i>Total expenditures</i>	13,509	13,512	13,512	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TITLE IV-A SAFE & DRUG FREE SCHOOLS & COMMUNITIES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-7

	<u>Budgeted Amounts</u>		
	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
Federal grants	\$ 48	\$ 48	\$ 0
<i>Total Revenues</i>	48	48	0
<b>EXPENDITURES:</b>			
Current:			
Instruction	48	48	0
<i>Total expenditures</i>	48	48	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0
<i>Net changes in fund balances</i>	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-8

	<u>Budgeted Amounts</u>		
	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
Federal grants	\$ 39,100	\$ 34,844	\$ (4,256)
<i>Total Revenues</i>	<u>39,100</u>	<u>34,844</u>	<u>(4,256)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction	<u>39,100</u>	<u>34,844</u>	<u>4,256</u>
<i>Total expenditures</i>	<u>39,100</u>	<u>34,844</u>	<u>4,256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**USDA EQUIPMENT ASSISTANCE PROGRAM SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-9

	Budgeted Amounts		
	Original Final Budget	Actual	Variance
<b>REVENUES:</b>			
Federal grants	\$ 10,000	\$ 10,000	\$ 0
Miscellaneous			0
<i>Total Revenues</i>	10,000	10,000	0
<b>EXPENDITURES:</b>			
Current:			
Food services Operations		10,000	(10,000)
<i>Total expenditures</i>	0	10,000	(10,000)
Excess (deficiency) of revenues over (under) expenditures	10,000	0	10,000
<i>Net changes in fund balances</i>	10,000	0	(10,000)
<i>Fund balances - beginning of year</i>	0	0	0
<i>Fund balances - end of year</i>	\$ 10,000	0	\$ (10,000)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**ENTITLEMENT IDEA B FEDERAL PROGRAM SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-10

	Budgeted Amounts		Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>					
Federal grants	\$ 506	\$	506	506	\$ 0
<i>Total Revenues</i>	506	506	506	506	0
<b>EXPENDITURES:</b>					
Current:					
Instruction	506	506	506	506	0
<i>Total expenditures</i>	506	506	506	506	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0	0
<i>Net changes in fund balances</i>	0	0	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$	0	0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**PRESCHOOL IDEA-B FEDERAL STIMULUS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-11

	Budgeted Amounts		
	Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>			
Federal grants	\$ 548	\$ 548	\$ 0
<i>Total Revenues</i>	548	548	0
<b>EXPENDITURES:</b>			
Current:			
Instruction	548	548	0
<i>Total expenditures</i>	548	548	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0
<i>Net changes in fund balances</i>	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**ARRA ELEMENTARY BREAKFAST FEDERAL PROGRAM SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-12

	Budgeted Amounts			
	Original/ Final Budget	Actual	Variance	
<b>REVENUES:</b>				
Federal grants	\$ 2,000	\$ 2,000	\$ 0	
<i>Total Revenues</i>	2,000	2,000	0	
<b>EXPENDITURES</b>				
Current:				
Food Services Operations	2,000	2,000	0	
<i>Total expenditures</i>	2,000	2,000	0	
Excess (deficiency) of revenues over (under) expenditures	0	0	0	
<i>Net changes in fund balances</i>	0	0	0	
<i>Fund balances - beginning of year</i>	0	0	0	
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**CHILD AND ADULT FOOD PROGRAM SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-13

	Budgeted Amounts		Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>					
Federal grants	\$ 0	\$	2,050	\$	2,050
<i>Total Revenues</i>	0	2,050	2,050	2,050	2,050
<b>EXPENDITURES:</b>					
Current:					
Food Services Operations	1,947	2,050	(103)		
<i>Total expenditures</i>	1,947	2,050	(103)		
Excess (deficiency) of revenues over (under) expenditures	(1,947)	0	(1,947)		
<i>Other financing sources (uses):</i>					
Designated Cash	1,947	(1,947)			
<i>Total other financing sources (uses)</i>	1,947	0	(1,947)		
<i>Net changes in fund balances</i>	0	0	0		
<i>Fund balances - beginning of year</i>	0	0	0		
<i>Fund balances - end of year</i>	\$ 0	\$	0	\$	0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**RURAL EDUCATION ACHIEVEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-14

	Budgeted Amounts		Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>					
Federal grants	\$ 5,460	\$ 649			\$ (4,811)
<i>Total Revenues</i>	5,460	649			(4,811)
<b>EXPENDITURES:</b>					
Current:					
Instruction	5,460	649			4,811
<i>Total expenditures</i>	5,460	649			4,811
Excess (deficiency) of revenues over (under) expenditures					
	0	0			0
<i>Net changes in fund balances</i>	0	0			0
<i>Fund balances - beginning of year</i>	0	0			0
<i>Fund balances - end of year</i>	\$ 0	\$ 0			\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SEG FEDERAL STIMULUS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-15

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Federal grants	\$ 10,336	\$ 10,377	\$ 10,377	\$ 0
<i>Total Revenues</i>	10,336	10,377	10,377	0
<b>EXPENDITURES:</b>				
Current:				
Instruction	10,336	10,377	10,377	0
<i>Total expenditures</i>	10,336	10,377	10,377	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**EDUCATION JOB FUND SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-16

	Budgeted Amounts		Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>					
Federal grants	\$ 27,958	\$	27,958	27,958	\$ 0
<i>Total Revenues</i>	27,958	\$	27,958	27,958	0
<b>EXPENDITURES:</b>					
Current:					
Instruction	27,958		27,958	27,958	0
<i>Total expenditures</i>	27,958		27,958	27,958	0
Excess (deficiency) of revenues over (under) expenditures	0		0	0	0
<i>Net changes in fund balances</i>	0		0	0	0
<i>Fund balances - beginning of year</i>	0		0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$	0	0	\$ 0

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**TECHNOLOGY FOR EDUCATION - PED SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-17

	Budgeted Amounts		Original/ Final Budget		Actual		Variance
<b>REVENUES:</b>							
Property taxes	\$	0	\$	0	\$	0	
<i>Total Revenues</i>							
<b>EXPENDITURES:</b>							
Current:							
Instruction		661		661		0	
<i>Total expenditures</i>		661		661		0	
Excess (deficiency) of revenues over (under) expenditures		(661)		(661)		0	
<i>Other financing sources (uses):</i>							
Designated Cash		661				(661)	
<i>Total other financing sources (uses)</i>		661		0		(661)	
<i>Net changes in fund balances</i>		0		(661)		(661)	
<i>Fund balances - beginning of year</i>		0		661		661	
<i>Fund balances - end of year</i>	\$	0	\$	0	\$	0	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-18

	Budgeted Amounts		Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>					
Property taxes	\$	0	\$	0	\$
<i>Total Revenues</i>		0		0	0
<b>EXPENDITURES:</b>					
Current:					
Instruction					0
<i>Total expenditures</i>		0		0	0
Excess (deficiency) of revenues over (under) expenditures		0		0	0
<i>Net changes in fund balances</i>		0		0	0
<i>Fund balances - beginning of year</i>		0		(914)	(914)
<i>Fund balances - end of year</i>	\$	0	\$	(914)	\$

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**2008 LIBRARY BOOK SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-19

	Budgeted Amounts		Original/ Final Budget	Actual	Variance
<b>REVENUES:</b>					
Property taxes	\$	0	\$	0	\$
<i>Total Revenues</i>		0		0	0
<b>EXPENDITURES:</b>					
Current:					
Instruction					0
<i>Total expenditures</i>		0		0	0
Excess (deficiency) of revenues over (under) expenditures		0		0	0
<i>Net changes in fund balances</i>		0		0	0
<i>Fund balances - beginning of year</i>		0		234	234
<i>Fund balances - end of year</i>	\$	0	\$	234	\$
				234	234

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SUN SAFETY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement B-20

	Budgeted Amounts			
	Original Final Budget	Actual	Variance	
<b>REVENUES:</b>				
State grants	\$ 1,500	\$ 1,500	\$ 0	
<i>Total Revenues</i>	1,500	1,500	0	
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,864	1,807	57	
School Administration	200	429	(229)	
<i>Total expenditures</i>	2,064	2,236	(172)	
Excess (deficiency) of revenues over (under) expenditures	(564)	(736)	172	
<i>Other financing sources (uses):</i>				
Designated Cash	564		(564)	
<i>Total other financing sources (uses)</i>	564	0	(564)	
<i>Net changes in fund balances</i>	0	(736)	(736)	
<i>Fund balances - beginning of year</i>	0	564	564	
<i>Fund balances - end of year</i>	\$ 0	\$ (172)	\$ (172)	

The accompanying notes are an integral part of these financial statements

# **CAPITAL PROJECTS FUNDS**

## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

**Public School Capital Outlay (31200)** – To account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

**Special Capital Outlay – Local (31300)** – To account revenues that are derived from local sources such as the sale of a building.

**Special Capital Outlay – State (31400)** – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading the Wagon Mound Public Schools' facilities.

**Capital Improvements SB-9 (31700)** – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**Public School Capital Outlay – 20% (32100)** – To account for 20 percent of the operational property tax revenues that have been set aside for capital outlay projects.

**Educational Technology Equipment Act (31900)** - To account for purchases of computer equipment and computer software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1949, Ch. 288, 63 Stat 377, and the National Defense Authorization Act for the Fiscal Year 1996, Public Law 104-106.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**JUNE 30, 2011**

Statement C-1

<b>ASSETS</b>	Bond Building 31100	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400
<i>Current Assets</i>				
Cash and temporary investments	\$ 756,143	\$ 18,339	\$ 23,628	\$ 44,858
<i>Total assets</i>	<u>\$ 756,143</u>	<u>\$ 18,339</u>	<u>\$ 23,628</u>	<u>\$ 44,858</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Interfund payables	\$ 0	\$ 0	\$ 0	\$ 0
<i>Total liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund balances</i>				
Restricted for:				
Capital projects	756,143	18,339	23,628	44,858
Unassigned	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total fund balance</i>	<u>756,143</u>	<u>18,339</u>	<u>23,628</u>	<u>44,858</u>
<i>Total liabilities and fund balance</i>	<u>\$ 756,143</u>	<u>\$ 18,339</u>	<u>\$ 23,628</u>	<u>\$ 44,858</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**JUNE 30, 2011**

<b>ASSETS</b>	Capital Improvements SB-9 31700	Education Technology 31900	Public School Capital Outlay 20% 32100	Total
<i>Current Assets</i>				
Cash and temporary investments	\$ 50,423	\$ _____	\$ 1,331	\$ 894,722
<i>Total assets</i>	<u>\$ 50,423</u>	<u>\$ 0</u>	<u>\$ 1,331</u>	<u>\$ 894,722</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Interfund payables	\$ _____ 0	\$ 109,432	\$ _____ 0	\$ 109,432
<i>Total liabilities</i>	<u>0</u>	<u>109,432</u>	<u>0</u>	<u>109,432</u>
<i>Fund balances</i>				
Restricted for:				
Capital projects	50,423	0	1,331	894,722
Unassigned	<u>_____</u>	<u>(109,432)</u>	<u>_____</u>	<u>(109,432)</u>
<i>Total fund balance</i>	<u>50,423</u>	<u>(109,432)</u>	<u>1,331</u>	<u>785,290</u>
<i>Total liabilities and fund balance</i>	<u>\$ 50,423</u>	<u>\$ 0</u>	<u>\$ 1,331</u>	<u>\$ 894,722</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-2

	Bond Building 31100	Public School Capital Outlay 31200	Special Capital Outlay -Local 31300	Special Capital Outlay - State 31400
<b>REVENUES:</b>				
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0
State grants	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration				
Operation & Maintenance of Plant				
Capital outlay	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other financing sources (uses):				
Operating transfers	0	0	0	0
Proceeds from bond issues	<u>756,143</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>756,143</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net changes in fund balances</i>	756,143			
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>18,339</u>	<u>23,628</u>	<u>44,858</u>
<i>Fund balances - end of year</i>	<u>\$ 756,143</u>	<u>\$ 18,339</u>	<u>\$ 23,628</u>	<u>\$ 44,858</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2011**

	Capital Improvements SB-9 31700	Education Technology 31900	Public School Capital Outlay 20% 32100	Total
<b>REVENUES:</b>				
Property taxes	\$ 41,084	\$ 0	\$ 0	\$ 41,084
State grants	<u>78,863</u>	<u>          </u>	<u>          </u>	<u>78,863</u>
<i>Total revenues</i>	<u>119,947</u>	<u>0</u>	<u>0</u>	<u>119,947</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	411			411
Operation & Maintenance of Plant	35,318			35,318
Capital outlay	<u>38,774</u>	<u>          </u>	<u>          </u>	<u>38,774</u>
<i>Total expenditures</i>	<u>74,503</u>	<u>0</u>	<u>0</u>	<u>74,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,444</u>	<u>0</u>	<u>0</u>	<u>45,444</u>
Other financing sources (uses):				
Operating transfers	0	0	0	0
Proceeds from bond issues	<u>0</u>	<u>0</u>	<u>0</u>	<u>756,143</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>756,143</u>
<i>Net changes in fund balances</i>	45,444			801,587
<i>Fund balances - beginning of year</i>	<u>4,979</u>	<u>(109,432)</u>	<u>1,331</u>	<u>(16,297)</u>
<i>Fund balances - end of year</i>	<u>\$ 50,423</u>	<u>\$ (109,432)</u>	<u>\$ 1,331</u>	<u>\$ 785,290</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**BOND BUILDING CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-3

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ _____	\$ _____	\$ _____	\$ _____ 0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	38,645	38,645	_____	38,645
<i>Total expenditures</i>	38,645	38,645	0	38,645
Excess (deficiency) of revenues over (under) expenditures	(38,645)	(38,645)	0	(38,645)
<i>Other financing sources (uses):</i>				
Designated cash	38,645	38,645	_____	(38,645)
Proceeds from bond issues	_____	_____	756,143	756,143
<i>Total other financing sources (uses)</i>	38,645	38,645	756,143	717,498
<i>Net changes in fund balances</i>	0	0	756,143	756,143
<i>Fund balances -beginning of year</i>	0	0	0	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 756,143	\$ 756,143

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-4

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ _____	\$ _____	\$ _____	\$ _____ 0
<i>Total revenues</i>	0	0	0	0
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	18,339	18,339	_____	18,339
<i>Total expenditures</i>	18,339	18,339	0	18,339
Excess (deficiency) of revenues over (under) expenditures	(18,339)	(18,339)	0	(18,339)
<i>Other financing sources (uses):</i>				
Designated cash	18,339	18,339		(18,339)
Proceeds from bond issues	_____	_____	_____	0
Total other financing sources (uses)	18,339	18,339	0	(18,339)
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances -beginning of year</i>	0	0	18,339	0
<i>Fund balances - end of year</i>	\$ 0	\$ 0	\$ 18,339	\$ 18,339

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-5

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	<u>23,628</u>	<u>23,628</u>	<u>0</u>	<u>23,628</u>
<i>Total expenditures</i>	<u>23,628</u>	<u>23,628</u>	<u>0</u>	<u>23,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,628)</u>	<u>(23,628)</u>	<u>0</u>	<u>(23,628)</u>
<i>Other financing sources (uses):</i>				
Designated cash	23,628	23,628	0	(23,628)
Proceeds from bond issues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>23,628</u>	<u>23,628</u>	<u>0</u>	<u>(23,628)</u>
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>23,628</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,628</u>	<u>\$ 23,628</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-6

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	<u>44,857</u>	<u>44,857</u>	<u>0</u>	<u>44,857</u>
<i>Total expenditures</i>	<u>44,857</u>	<u>44,857</u>	<u>0</u>	<u>44,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,857)</u>	<u>(44,857)</u>	<u>0</u>	<u>(44,857)</u>
<i>Other financing sources (uses):</i>				
Designated cash	<u>44,857</u>	<u>44,857</u>	<u>0</u>	<u>(44,857)</u>
Total other financing sources (uses)	<u>44,857</u>	<u>44,857</u>	<u>0</u>	<u>(44,857)</u>
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>44,858</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,858</u>	<u>\$ 44,858</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C -7

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ 4,358	\$ 43,588	\$ 41,084	\$ (2,504)
State grants	<u>81,775</u>	<u>81,775</u>	<u>78,863</u>	<u>(2,912)</u>
<i>Total revenues</i>	<u>86,133</u>	<u>125,363</u>	<u>119,947</u>	<u>(5,416)</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	436	436	411	25
Operation & Maintenance of Plant			35,318	(35,318)
Capital outlay	<u>130,482</u>	<u>130,482</u>	<u>38,774</u>	<u>91,708</u>
<i>Total expenditures</i>	<u>130,918</u>	<u>130,918</u>	<u>74,503</u>	<u>56,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,785)</u>	<u>(5,555)</u>	<u>45,444</u>	<u>(50,999)</u>
<i>Other financing sources (uses):</i>				
Designated cash	<u>44,785</u>	<u>5,555</u>	<u>          </u>	<u>(5,555)</u>
Total other financing sources (uses)	<u>44,785</u>	<u>5,555</u>	<u>0</u>	<u>(5,555)</u>
<i>Net changes in fund balances</i>	0	0	45,444	45,444
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>4,979</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,423</u>	<u>\$ 50,423</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**EDUCATIONAL TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-8

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	<u>9,144</u>	<u>9,144</u>	<u>0</u>	<u>9,144</u>
<i>Total expenditures</i>	<u>9,144</u>	<u>9,144</u>	<u>0</u>	<u>9,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,144)</u>	<u>(9,144)</u>	<u>0</u>	<u>(9,144)</u>
<i>Net changes in fund balances</i>	(9,144)	(9,144)	0	9,144
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>(109,432)</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ (9,144)</u>	<u>\$ (9,144)</u>	<u>\$ (109,432)</u>	<u>\$ (100,288)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**PUBLIC SCHOOL CAPITAL OUTLAY 20% CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement C-9

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>REVENUES:</b>				
Property taxes	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<i>Total revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	<u>1,331</u>	<u>1,331</u>	<u>0</u>	<u>1,331</u>
<i>Total expenditures</i>	<u>1,331</u>	<u>1,331</u>	<u>0</u>	<u>1,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,331)</u>	<u>(1,331)</u>	<u>0</u>	<u>(1,331)</u>
<i>Other financing sources (uses):</i>				
Designated cash	<u>1,331</u>	<u>1,331</u>	<u>0</u>	<u>(1,331)</u>
<i>Total other financing sources (uses)</i>	<u>1,331</u>	<u>1,331</u>	<u>0</u>	<u>(1,331)</u>
<i>Net changes in fund balances</i>	0	0	0	0
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>1,331</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,331</u>	<u>\$ 1,331</u>

The accompanying notes are an integral part of these financial statements

# **DEBT SERVICE FUNDS**

## **DEBT SERVICE FUNDS**

**Debt Service Fund (41000)** – This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest. The resources of this fund are generated by the tax levy based upon property values.

**Education Technology Debt Service (43000)** – This fund is established to receive revenue for the payment of interest and principal on outstanding general obligation school bond issues.



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2011**

Statement D-1

	Debt Service 41000	Ed. Tech. Debt Service 43000	Total
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and temporary investments	\$ <u>51,418</u>	\$ <u>10,983</u>	\$ <u>62,401</u>
<i>Total assets</i>	<u>\$ 51,418</u>	<u>\$ 10,983</u>	<u>\$ 62,401</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Total liabilities</i>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
 <i>Fund balances</i>			
Fund Balance:			
Restricted for:			
Debt service	<u>51,418</u>	<u>10,983</u>	<u>62,401</u>
<i>Total fund balance</i>	<u>51,418</u>	<u>10,983</u>	<u>62,401</u>
<i>Total liabilities and fund balance</i>	<u>\$ 51,418</u>	<u>\$ 10,983</u>	<u>\$ 62,401</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement D-2

<b>REVENUES:</b>	<u>Debt Service 41000</u>	<u>Ed. Tech Debt Service 43000</u>	<u>Total</u>
Property taxes	\$ 32,760	\$ 36	\$ 32,796
<i>Total revenues</i>	<u>32,760</u>	<u>36</u>	<u>32,796</u>
<b>EXPENDITURES:</b>			
Current:			
General Administration	327		327
Debt service - Principal	50,000		50,000
Debt service - Interest	<u>3,225</u>		<u>3,225</u>
<i>Total expenditures</i>	<u>53,552</u>		<u>53,552</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,792)</u>	<u>36</u>	<u>(20,756)</u>
<i>Net changes in fund balances</i>	<u>(20,792)</u>	<u>36</u>	<u>(20,756)</u>
<i>Fund balances - beginning of year</i>	<u>72,210</u>	<u>10,947</u>	<u>83,157</u>
<i>Fund balances - end of year</i>	<u><u>\$ 51,418</u></u>	<u><u>\$ 10,983</u></u>	<u><u>\$ 62,401</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement D-3

**Budgeted Amounts**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>				
Property taxes	\$ 53,225	\$ 53,225	\$ 32,760	\$ (20,465)
<i>Total revenues</i>	<u>53,225</u>	<u>53,225</u>	<u>32,760</u>	<u>(20,465)</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	533	533	327	206
Principal	50,000	50,000	50,000	0
Interest	3,225	3,225	3,225	0
<i>Total expenditures</i>	<u>53,758</u>	<u>53,758</u>	<u>53,552</u>	<u>206</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533)</u>	<u>(533)</u>	<u>(20,792)</u>	<u>20,259</u>
<i>Other financing sources (uses):</i>				
Designated cash	533	533		(533)
<i>Total other financing sources (uses)</i>	<u>533</u>	<u>533</u>	<u>0</u>	<u>(533)</u>
<i>Net changes in fund balances</i>	0	0	(20,792)	(20,792)
<i>Fund balances - beginning of year</i>	<u>0</u>	<u>0</u>	<u>72,210</u>	<u>0</u>
<i>Fund balances - end of year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51,418</u>	<u>\$ 51,418</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**EDUCATION TECHNOLOGY DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Statement D-4

	<b>Budgeted Amounts</b>			
	Original/ Final Budget	Actual	Variance	
<b>REVENUES:</b>				
Property taxes	\$ 0	\$ 36	\$ 36	
<i>Total revenues</i>	0	36	36	
<b>EXPENDITURES:</b>				
Current:				
Instruction	0	0	0	
Total expenditures	0	0	0	
Excess (deficiency) of revenues over (under) expenditures	0	36	(36)	
<i>Net changes in fund balances</i>	0	36	36	
<i>Fund balances - beginning of year</i>	0	10,947	0	
<i>Fund balances - end of year</i>	\$ 0	\$ 10,983	\$ 10,983	

The accompanying notes are an integral part of these financial statements

# **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDING JUNE 30, 2011**

Schedule I

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Administration Fund	\$ 2,880	\$ 676	\$ 0	\$ 3,556
Act II Fund	1,717		910	807
Art Fund	208			208
Act II Book Club	108			108
Cheerleaders	492		299	193
Booster	1			1
Drama	477		300	177
Mecha	107			107
NHS	170			170
Elementary Field Trip	184			184
Pre-Vocational	1,198			1,198
Ski-Club	393			393
Student Council	284	48		332
Girls Sports	176			176
Raffle Fund	680		560	120
Class of 2010				
Class of 2011	3,159		3,159	
Class of 2012	4,603	2,497		7,100
Class of 2013	1,883	538		2,421
Class of 2014	139	74		213
Class of 2015	234		150	84
Activity I	14,195		352	13,843
Certificates of Deposit	3,377	2		3,379
<b>Total All Schools</b>	<b>\$ 36,665</b>	<b>\$ 3,835</b>	<b>\$ 5,730</b>	<b>\$ 34,770</b>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2011**

Schedule II

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Fair / Par Market Value June 30, 2011</u>	<u>Name and Location of Safekeeper</u>
Community First Bank	CUSIP 31386BQH0 6.5%, Due 11-01-2030	\$ 331	Federal Reserve Bank
Community First Bank	CUSIP 31294KBR5 7.0%, Due 02-01-2016	9,688	Federal Reserve Bank
Community First Bank	CUSIP 31336RTZ3 2.904%, Due 08-01-2031	25,760	Federal Reserve Bank
Community First Bank	CUSIP 31336RVK3 3.124%, Due 08-01-2031	6,113	Federal Reserve Bank
Community First Bank	CUSIP 31389SAU8 2.5%, Due 03-01-2032	38,906	Federal Reserve Bank
Community First Bank	CUSIP 311441HZ5 4.0%, Due 09-01-2018	108,130	Federal Reserve Bank
		<u>108,130</u>	
		<u>\$ 188,928</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2011**

Schedule III

Bank Account Type	Wells Fargo Bank	First Community Bank	Totals
Certificate of Deposit	\$ 3,379	\$ 0	\$ 3,379
Checking - General Fund		1,199,638	1,199,638
Checking - Athletics Fund		5,239	5,239
Checking - Hot Lunch Fund		28,684	28,684
Checking - Activities II		17,799	17,799
Checking - Activities I		<u>18,887</u>	<u>18,887</u>
Total On Deposit	3,379	1,270,247	1,273,626
Reconciling Items		<u>(140,330)</u>	<u>(140,330)</u>
Reconciled Balance June 30, 2011	<u>\$ 3,379</u>	<u>\$ 1,129,917</u>	<u>1,133,296</u>
Plus: Common Stock			22,198
Less: Fiduciary Funds Cash			<u>(39,782)</u>
Cash per Government-wide Financial Statements			<u>\$ 1,115,712</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2011**

Schedule IV

	Operational 11000	Transportation 13000	Instructional Material 14000	Food Service 21000	Athletics 22000
Cash, June 30, 2010	\$ 77,787	\$ 12,537	\$ 0	\$ 18,041	\$ 6,586
Add:					
2010-11 revenues	1,546,941	128,290	2,942	35,292	15,720
Permanent cash transfers	108,156				
Loans from other funds	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total cash available	1,732,884	140,827	2,942	53,333	22,306
Less:					
2010-11 expenditures	1,615,248	133,421	2,490	24,450	17,067
Permanent cash transfers				199	
Loans to other funds	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>1,615,248</u>	<u>133,421</u>	<u>2,490</u>	<u>24,649</u>	<u>17,067</u>
Cash, June 30, 2011	<u>\$ 117,636</u>	<u>\$ 7,406</u>	<u>\$ 452</u>	<u>\$ 28,684</u>	<u>\$ 5,239</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2011**

	<u>Student Activities 23000</u>	<u>Federal Flowthrough 24000</u>	<u>Federal Direct 25000</u>	<u>Local Grants 26000</u>	<u>State Flowthrough 27000</u>
Cash, June 30, 2010	\$ 58,060	\$ 2,222	\$ 194	\$ 0	\$ 895
Add:					
2010-11 revenues	36,311	371,996	41,034		
Permanent cash transfers					
Loans from other funds	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total cash available	94,371	374,218	41,228		895
Less:					
2010-11 expenditures	32,352	371,996	41,034		661
Permanent cash transfers	22,237	2,198	194		1,148
Loans to other funds					
Total Expenses	<u>54,589</u>	<u>374,194</u>	<u>41,228</u>	<u>          </u>	<u>1,809</u>
Cash, June 30, 2011	<u>\$ 39,782</u>	<u>\$ 24</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (914)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2011**

	<u>State Direct</u> 28000	<u>Bond Building</u> 31100	<u>Public School</u> <u>Capital Outlay</u> 31200	<u>Spec. Capital</u> <u>Outlay-Local</u> 31300	<u>Spec. Capital</u> <u>Outlay-State</u> 31400
Cash, June 30, 2010	\$ 564	\$ 0	\$ 18,339	\$ 23,628	\$ 44,858
Add:					
2010-11 revenues		756,143			
Permanent cash transfers					
Loans from other funds	_____	_____	_____	_____	_____
Total cash available	564	756,143	18,339	23,628	44,858
Less:					
2010-11 expenditures					
Permanent cash transfers					
Loans to other funds	_____	_____	_____	_____	_____
Total Expenses	_____	_____	_____	_____	_____
Cash, June 30, 2011	<u>\$ 62</u>	<u>\$ 756,143</u>	<u>\$ 18,339</u>	<u>\$ 23,628</u>	<u>\$ 44,858</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2011**

	Cap. Improv. SB 31700	Public School Cap. Outlay 20% 32100	Debt Service 41000	Ed Tech Debt Service 43000	Total
Cash, June 30, 2010	\$ 28,133	\$ 1,331	\$ 72,210	\$ 10,947	\$ 376,332
Add:					
2010-11 revenues	119,947		32,760	36	3,087,412
Permanent cash transfers					108,156
Loans from other funds	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total cash available	148,080	1,331	104,970	10,983	3,571,900
Less:					
2010-11 expenditures	74,503		53,552		2,366,774
Permanent cash transfers	23,154				49,130
Loans to other funds	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>97,657</u>	<u>          </u>	<u>53,552</u>	<u>          </u>	<u>2,415,904</u>
Cash, June 30, 2011	<u>\$ 50,423</u>	<u>\$ 1,331</u>	<u>\$ 51,418</u>	<u>\$ 10,983</u>	<u>\$ 1,155,494</u>

The accompanying notes are an integral part of these financial statements

# **COMPLIANCE SECTION**

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

Hector Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Wagon Mound Public Schools  
Wagon Mound, New Mexico

We 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 fund, the combining and individual funds and related budgetary comparisons presented as supplemental information of Wagon Mound Public Schools (the "District"), New Mexico, as of and for the year ended June 30, 2011, which collectively comprise the District basic financial statements, and have issued our report thereon dated January 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wagon Mound Public Schools, New Mexico's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. (FS 06-05, 08-02, FS 09-01, FS 10-04, FS 10-05, FS 11-01 and FS 11-02) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wagon Mound Public School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items FS 06-05, 08-02, FS 09-03, FS 10-01, FS 10-04, FS 10-06 FS 11-01 and FS 11-03.

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

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

**Harshwal & Company LLP**  
**Certified Public Accountants**

*Harshwal & Company LLP*

**Albuquerque, New Mexico**  
**January 20, 2012**

# **FEDERAL FINANCIAL ASSISTANCE**



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Pass-through Number	Federal CFDA	Federal Expenditures
<b>U.S. Department of Education</b>			
Pass-through State of New Mexico Department of Education:			
Title I-IASA (1)	24101	84.010	\$ 169,774
Entitlement IDEA B	24106	84.027	11,675
Title I School Improvement	24162	84.389	34,844
21st Century	24119	84.287	128,942
USDA Equipment Assistance Program	24183	10.579	10,000
Teacher/Principal Training & Recruiting	24154	84.367	13,513
Safe & Drug Free Schools & Community	24157	84.186A	48
ARRA Elementary Breakfast	24290	10.553	2,000
Title I-IASA-Federal Stimulus (1)	24201	84.010	155
Entitlement IDEA-B Federal Stimulus	24206	84.027	506
Preschool IDEA-B Federal Stimulus	24209	84.391	548
Education Job Fund	25255	84.410	27,958
Title VI	25233	84.358A	649
State Equalization Guarantee-ARRA (1)	25255	84.394	10,377
Subtotal - Pass-through State of New Mexico Department of Education			<u>410,989</u>
<b>Total U.S. Department of Education</b>			<u>410,989</u>
<b>U.S. Department of Agriculture</b>			
Direct U.S. Department of Agriculture			
Forest Reserve	11000	10.670	11,444
Subtotal - Direct U.S. Department of Agriculture			<u>11,444</u>
Pass-through State of New Mexico Department of Education			
School Lunch Program	21000	10.555	32,231
Subtotal - Pass-through State of New Mexico Department of Education			<u>32,231</u>
Pass-through State of New Mexico Children Youth & Families Department			
Child & Adult Food Program	25171	10.558	2,050
Subtotal - Pass-through State of New Mexico Children Youth & Families Department			<u>2,050</u>
Pass-through State of New Mexico Department of Health and Human Services			
Food Distribution (Commodities)	21000	10.550	3,077
Subtotal - Pass-through State of New Mexico Department of Health and Human Services			<u>3,077</u>
<b>Total U.S. Department of Agriculture</b>			<u>48,802</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 459,791</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

Schedule V

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

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

2. Sub recipients

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

3. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2011 was \$3,077 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 459,791
Total expenditures funded by other sources	<u>1,876,867</u>
Total expenditures	<u>\$ 2,336,658</u>

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

Schedule VI

**Section I – Financial Statement Findings**

**FS 06-05- Cash Reconciliation Report Prepared Does not agree with Books of Account - Repeated and Revised**

*Criteria:* School Districts need to comply with PED Regulation 6.20.2 NMAC, Governing Budgeting and Accounting for New Mexico Public Schools and School Districts and the Manual of procedures, primary Supplement 7, Cash controls.

*Condition:* Reconciled cash balance per books prepared by the District does not agree with cash reconciliation reports prepared and submitted to State Public Education Department (PED). Additionally, there are cash amounts in the general ledger that do not exist in any of the District's bank accounts. Several adjustments were necessary to tie reconciled cash to the general ledger.

*Cause:* Investments recorded on the books of the District are not valid investments and distort cash balances that the District is preparing and reporting.

*Effect:* General ledger cash balances are not reflective of actual cash available in the funds and could cause the District to spend cash that is not available.

*Auditors' Recommendations:* The District needs to review the investments that are recorded in the general ledger to determine their validity. The District should ensure that cash in the general ledger agrees to cash reported to the Public Education Department.

*Management's Response:* Management will work with the auditor to review the investments on hand at the District. Upon conferring investments, Management will also make the necessary journal entries to bring cash to a reconciled amount and report the corrected amount to NMPED in accordance with NMAC 6.20.2

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

**FS 08-02 – Budgetary Conditions - Repeated and Revised**

*Criteria:* Sound financial management and 6-6-6 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

*Condition:* The District had the following expenditure functions where actual expenditures exceeded budgetary authority:

<b>Major Funds:</b>	
21st Century Community Learning Centers	
Central Services	\$ 848
<b>Nonmajor Funds:</b>	
Athletics	
Instruction	211
USDA Equipment Assistance	
Food Service Operations	10,000
Child and Adult Food Program	
Food Service Operations	103
Cap. Improvement SB-9 Cap. Proj. Fund	35,318
Total	<u>\$ 46,480</u>

*Cause:* The District did not submit the appropriate budgetary transfers to PED to alleviate the over-expenditure.

*Effect:* The District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised.

*Auditor's Recommendation:* The District should establish a policy of budgetary review at year-end, and submit the necessary budget adjustments to PED.

*Management's Response:* District Management will review budget balances and make the necessary requests for budget transfers on a monthly basis to ensure that budgets are not exceeded.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

**FS 09-01 – Payroll Documentation - Repeated and Revised**

*Criteria:* NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations. The Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a form I-9 within 3 days of hire. This form is to be retained for either three years after the date of hire or one year after the date of termination, whichever is later.

*Condition:* During our test work of personnel files, we noted the following:

- Five out of ten employees tested did not follow policies and procedures on file.
- Three out of ten employees tested did not have a background check on file.

*Cause:* The District was unaware that the employees had incomplete files.

*Effect:* The District is not in compliance with New Mexico State Statutes. The School could be subject to penalties or possibly legal action. Not having correct supporting documentation is a serious failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract.

*Auditors' Recommendations:* We recommend the District obtain all required information and retain the necessary documents in the employees' personnel files as well as review all supporting documentation for payroll processed. In the future, the District should make periodic checks to ensure all required information is being maintained.

*Management's Response:* District Management is not in agreement with this finding. It is unclear as to which documentation is missing or was not reviewed by the audit firm with regards to "Five out of ten employees tested did not follow policies and procedures on file". Upon reviewing the list of employees, three out of ten employees tested were missing background checks. NMAC 6.60.8 Background Checks for Educator Licensure went into effect in 1998, two of the employees missing a background check were employed prior to that date, therefore a background check was not required of them. The other employee was hired within two years of his initial licensure through NMPED. According to 6.60.8.8, background checks are good for twenty four months. District management will work with the auditor to ensure that personnel files are complete, and that all employee information is available for auditor review.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

**FS 09-03 – Per Diem and Mileage Act – Repeated and Revised**

*Criteria:* According to NMAC 2.42.2.10, an employee may be advanced up to 80 percent of per diem rates and mileage cost.

According to NMAC 2.42.2.11, Mileage accrued in the use of a private conveyance shall be paid only in accordance with the provisions of this section. Rate: Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows: unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

*Condition:* During our testwork of the District's compliance with the per diem and mileage act, we noted the following:

- In eight out of twenty two instances a District employee was advanced 100% of per diem rates.
- In five out of twenty two instances supporting documentation could not be located.

*Cause:* The District was unaware that they were not allowed to reimburse both per diem and actual. The District was also unaware of the NMAC mileage rate.

*Effect:* The District is in non compliance with New Mexico law, and has potentially over / under reimbursed some employees.

*Auditor's Recommendation:* We recommend that the District change their travel and per diem policies to match the policies provided by NMAC 2.42.2.

*Management's Response:* The district has policy in place that is in alignment with NMAC 2.42.2 and 10-8 NMSA 1978. The policy states that the district will follow the laws set forth by each rule. However, the district will be working on general procedures for the calculation of per diem and employee travel.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

**FS 10-01 – Credit Card**

*Criteria:* Laws of 2007, Regular Session, Chapter 28, Section 3, Subsection L states, “*Except* for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9(l) NMSA 1978.”

*Condition:* During our testwork of Credit Card usage and transactions, we discovered the District was using three credit cards during the fiscal year.

*Cause:* The administration of the District set up a credit card for use in general operation with vendors such as Sam’s Club, Wal Mart and Express One.

*Effect:* This gives the cardholder direct access to public funds with the possibility of incurring unauthorized interest charges, which negates cash controls and is not good accounting practice.

*Auditors’ Recommendation:* The District should cancel the credit cards and only utilize gas cards and procurement cards authorized by Section 6-5-9(l) NMSA 1978.

*Management’s Response:* District Management has cancelled the credit cards that are out of line with NM Law. They are seeking the services of Bank of America and plan to put in place a purchasing card program for purchases that require a line of credit.

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

**FS 10-04 – Budgeted Cash**

*Criteria:* 22-8-11-B NMSA 1978 requires that no District or employee of a District shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department.

*Condition:* The District over-budgeted cash in the following funds and amounts:

<b>Capital Project Funds:</b>	
Bond Building	\$ 38,645
Capital Improvements SB-9	<u>576</u>
 Total	 <u>\$ 39,221</u>

*Cause:* The District did not ensure sufficient prior year cash balances before submitting the budget adjustment request to PED.

*Effect:* The District budgeted more cash to spend during fiscal year 2011 than they actually had as of June 30, 2010.

*Recommendation:* We recommend that the District review prior year audited cash balances before submitting budget adjustment requests for budgeted cash, to ensure sufficient balances exist.

*Management's Response:* The district will work with the auditor to ensure that the amounts reported to NMPED are accurate and available for budgeting as cash balance.



**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2011**

**ES 10-05 - Inactive Funds**

*Criteria:* Good accounting policy indicates that funds that are no longer being used should be adjusted to \$0, closed out and no longer used.

*Condition:* During our review of the District's trial balance, we noted two funds which are carrying balances forward from year-to-year, but are no longer active funds of the District:

**Nonmajor Funds:**

Breakfast for Elementary Students fund Special Revenue Fund	\$ (914)
2008 Library Book (27549)	<u>234</u>
Total	<u><u>\$ (680)</u></u>

*Cause:* The District has funds on its books which are no longer active funds, but these funds have never been truly closed out.

*Effect:* The District's general ledger has funds which are no longer active funds. These additional funds are creating more work for the District as procedures such as reconciliations and reports are completed.

*Auditors' Recommendations:* We recommend that the District go through the list of inactive funds and determine whether funds need to be returned to the grantor or transferred to the general fund. In cases where the fund has a deficit balance, the District needs to determine whether the balance can be received from the grantor, or if the funds need to be transferred from the general fund to cover the deficit.

*Management's Response:* At June 30, 2011, both of these funds carry a zero balance. Fund 27155 was closed after NMPED approval was received. A transfer from Fund 11000 to Fund 27155 is on the books of account dated February 16, 2011 closing Fund 27155 and leaving that account with a zero balance at June 30, 2011. Fund 27549 was brought to a zero balance on February 3, 2011 when a check written from Fund Balance was sent to NMPED. District personnel will continue to monitor account balances and ensure that funds are active in their expenses and their reimbursements.

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**FS 10-06 – Pledged Collateral**

*Criteria:* Cash deposits must be covered by at least 50% of pledged collateral in accordance with NMSA 1978 Section 6-10-8.

*Condition:* During the year ended June 30, 2011, the District maintained and utilized deposits with financial institutions which were not covered by 50% of pledged collateral as required by State of New Mexico Statutes. As of June 30, 2011 the under collateralization at the institutions totaled \$321,196.

*Cause:* The District maintained bank deposits that were not covered by FDIC and were not secured with pledged collateral.

*Effect:* Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the District's public funds in the event of bank closure.

*Auditors' Recommendations:* The District should ensure all cash balances are collateralized as required by State Statutes.

*Management's Response:* The banking institution increased the amount of securities pledged to Wagon Mound Schools by \$300,000 beginning July 2011. Collateralization of district assets is currently in accordance with NM Law. District personnel will work with Bank personnel to ensure that assets are properly collateralized.

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**YEAR ENDED JUNE 30, 2011**

**FS 11-01 – Annual Capital Assets Inventory**

*Criteria:* Section 12-6-10, NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year.

*Condition:* The District did not perform an annual physical inventory of capital assets.

*Cause:* Lack of awareness of the State requirements.

*Effect:* The District may not be accounting for the fixed assets accurately. Not taking a physical inventory count may lead to asset misappropriation.

*Auditors' Recommendations:* The District should perform a yearly physical capital asset inventory.

*Management's Response:* District Management is aware of annual physical inventory requirements. Business Office procedures require that teaching staff report twice annually of the fixed assets in their classrooms. Items not in the custody of teachers are reported by other staff once annually. District management will work with the auditor to ensure that the procedures in place are adequate or if the procedures need to be reviewed and updated to ensure compliance with NM Law.

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**FS 11-02 - Disaster Recovery Plan**

*Criteria:* State of New Mexico Statewide Guideline S-GUIDE-002.003 (per NMSA 1978 Section 15-1C-1 et. Seq. and NMAC 1.12.6 and NMAC 1.12.2) establishes an Enterprise Security Policy for the protection of IT assets and resources including data and information.

*Condition:* The District lacked a Disaster Recovery Plan. A disaster recovery plan should be a map for reestablishing operations after a disaster. This map should include details of the following, at minimum:

- What hardware and software are in place and which vendors may be used to replace the hardware and software.
- Potential off-site locations for running operations.
- Names and telephone numbers of critical operations personnel that should be contacted during a disaster.
- Backup and recovery procedures for data.
- The location of the off-site data backups.
- A detailed list of instructions to be followed in order to reestablish operations.

*Cause:* The District has not developed a detailed disaster recovery plan.

*Effect:* The District may not be able to continue operations in the event of a disaster.

*Auditors' Recommendations:* The District should develop a contingency plan detailing how to recover IT systems and become operations in the event of a disaster or interruption of the IT function.

*Management's Response:* District management will be collecting information from key personnel within the district to create and implement a disaster recovery plan that is in compliance with NM Law

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**FS 11-03 - Late Audit Report**

*Criteria:* According to State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements are due by November 15 following the fiscal year end, thus requiring the June 30, 2011 to be filed by November 15, 2011.

*Condition:* The June 30, 2011 report was not filed timely as required by State Auditor Rule NMAC 2.2.2.9.A.

*Cause:* The data file got corrupted due to unexpected power outage at the auditor's office after the fieldwork was complete and an exit conference had been held. The auditors could recover the data from their backup, however there were unexpected delays in issuing the report. Additionally, there was a change in the auditor at the audit firm that was working with school personnel.

*Effect:* The district is not in compliance with with State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2011. The district does not have audited financial statements for use in borrowing, bonds, and grant applications.

*Auditors' Recommendations:* None.

*Management's Response:* The audit report for Public schools in New Mexico is due to the Office of the State Auditor by November 15 following the fiscal year end. The audit report was due to the Office of the state auditor on November 15, 2011. The delay is due to the audit firm misunderstanding that the report is due on November 15, and a change in the auditor at the audit firm that was working with school personnel.

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**Section II – Prior Year Audit Findings**

- FS 06-05 – Cash Reconciliation Report Prepared Does not agree with Books of Account - *Repeated and Revised*
- FS 08-02 – Budgetary Conditions – *Repeated and Revised*
- FS 09-01 – Payroll Documentation – *Repeated and Revised*
- FS 09-02 – Bank Reconciliations – *Resolved*
- FS 09-03 – Per Diem and Mileage – *Repeated and Revised*
- FS 10-01 – Credit Card – *Repeated and Revised*
- FS 10-02 – Cash Disbursements – *Resolved*
- FS 10-03 – Bank Deposits – *Resolved*
- FS 10-04 – Budgeted Cash – *Repeated and Revised*
- FS 10-05 – Inactive Funds – *Repeated and Revised*
- FS 10-06 – Pledged Collateral – *Repeated and Revised*
- FA 10-01 – Title I Certifications – *Resolved*

**Section III – Other Disclosures**

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Harshwal & Company, LLP

Exit Conference

The contents of this report were discussed on November 9, 2011. The following individuals were in attendance.

Wagon Mound Public Schools

Albert Martinez, Superintendent  
Teresa Casias, Business Manager  
Fred Muniz, Audit Committee Member

Harshwal & Company, LLP

Robert Wauneka