



STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2011

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Table of Contents
 For the Year Ended June 30, 2011

	<u>Page</u>
Official Roster.....	6
Independent Auditor's Report.....	7-8
FINANCIAL SECTION	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements	
Government Funds - Balance Sheet.....	12-16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	18-22
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	23
General Fund-11000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	24-26
Transportation-13000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	27
Instructional Material-14000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	28
Title I-24101	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	29
IDEA, Part B Entitlement-24106	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	30
IDEA, Part B Discretionary-24107	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	31
Education Job Fund-25255	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	32
Wind Farm Projects-29134	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	33

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Table of Contents
 For the Year Ended June 30, 2011

	<u>Page</u>
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	34
Notes to Financial Statements.....	35-50
SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS	
Bond Building-31100	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	52
Senate Bill Nine-31700	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	53
Debt Service-41000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	54
SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS	
Combining Non-Major Governmental Funds	
Combining Balance Sheet - by Fund Type.....	59-67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance and Changes in Fund Balance - by Fund Type.....	68-76
Food Service-21000	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	77
Athletics-22000	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	78
IDEA Preschool-24109	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	79
IDEA B Risk Pool-24120	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	80
E2T2-C-24149	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	81
Teacher Training & Recruiting-24154	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	82
Drug Free School & Community-24157	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	83
Title III Immigrant Grant-24163	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	84

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Table of Contents
 For the Year Ended June 30, 2011

	<u>Page</u>
Title I Recovery Act-24201	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	85
IDEA, Part B Recovery Act-24206	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	86
IDEA Preschool Recovery Act-24209	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	87
Education Homeless Recovery Act-24213	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	88
School Breakfast-24290	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	89
Rural Education Achievement Program-25233	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	90
State Fiscal Stabilization Program Fund-25250	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	91
Dual Credit-27103	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	92
Library Go Bonds-27105	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	93
Tech for Education-27117	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	94
State Directed Activities-27200	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	95
Florida Power & Light-29129	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	96
School Based Health-29130	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	97
New Mexico/Microsoft Partners in Learning-29132	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	98

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Table of Contents
 For the Year Ended June 30, 2011

	<u>Page</u>
NON MAJOR CAPITAL PROJECTS FUNDS	
Energy Efficiency Measurers-28187	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	99
Special Capital Outlay-State-31400	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	100
OTHER SUPPLEMENTAL INFORMATION	
Agency Funds	
Statement of Fiduciary Net Assets and Liabilities-Agency Funds	101
Activity	
Schedule of Changes in Assets and Liabilities - Agency Funds	104
Cash Reconciliations-All Funds.....	105
FEDERAL COMPLIANCE	
Schedule of Expenditures of Federal Awards.....	107
Notes to the Schedule of Expenditures of Federal Awards.....	108
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	109-110
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	111-112
Schedule of Findings and Questioned Costs.....	113-116

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Official Roster
June 30, 2011

BOARD OF EDUCATION

Tom Wilton	President
Cody West	Vice-President
Scot Stinnett	Secretary
Ray Drake	Member
Keri Webb	Member

SCHOOL OFFICIALS

Patricia Miller	Superintendent
Vacant	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the FORT SUMNER MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general funds and major special revenue funds of FORT SUMNER MUNICIPAL SCHOOLS, (District), 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 and the budgetary comparisons for the major capital project funds, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, 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 September 7, 2011, on our consideration of the District'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.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Ann Willoughby CPA PC

September 7, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Government-Wide Statement of Net Assets
 June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,796,287
Taxes Receivable	24,632
Due From Grantor	112,235
Inventory	2,192
Total Current Assets	<u>1,935,346</u>
Noncurrent Assets	
Capital Assets	22,280,155
Less: Accumulated Depreciation	<u>(3,257,130)</u>
Total Noncurrent Assets	<u>19,023,025</u>
Total Assets	<u>20,958,371</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	40,809
Accrued Interest	20,870
Deferred Revenue	711
Current Portion of Long-Term Debt	<u>255,000</u>
Total Current Liabilities	<u>317,390</u>
Noncurrent Liabilities	
Compensated Absences	9,142
Bonds and Notes, Net	<u>2,019,378</u>
Total Noncurrent Liabilities	<u>2,028,520</u>
Total Liabilities	<u>2,345,910</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	16,748,647
Restricted for Capital Projects	241,835
Unrestricted	<u>1,621,979</u>
Total Net Assets	<u>\$ 18,612,461</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 2,856,854	\$ 44,478	\$ 327,993	\$ 0	\$ (2,484,383)
Support Service-Students	386,911	0	190,199	0	(196,712)
Support Services-Instruction	93,555	0	23,758	0	(69,797)
Support Services-General Administration	142,433	0	12,528	0	(129,905)
Support Services-School Administration	208,044	0	5,297	0	(202,747)
Central Services	119,117	0	0	0	(119,117)
Operation & Maintenance of Plant	596,795	0	2,106	0	(594,689)
Student Transportation	421,708	0	426,645	0	4,937
Other	1,480	0	0	0	(1,480)
Food Services	162,162	35,695	102,405	0	(24,062)
Interest on Long-Term Obligations	67,101	0	0	0	(67,101)
Total Governmental Activities	\$ 5,056,160	\$ 80,173	\$ 1,090,931	\$ 0	(3,885,056)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					26,499
Property Taxes, Levied for Capital Projects					105,398
Property Taxes, Levied for Debt Service					322,229
Federal and State aid not restricted to specific purpose					
General					3,337,840
Capital					502,494
Interest and investment earnings					29,296
Miscellaneous					107,907
Subtotal, General Revenues					<u>4,431,663</u>
Change in Net Assets					546,607
Net Assets - beginning					<u>18,065,854</u>
Net Assets - ending					<u>\$ 18,612,461</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2011

	General Fund		
	Operational 11000	Transportation 13000	Instructional Material 14000
ASSETS			
Cash and Cash Equivalents	\$ 167,782	\$ 11,145	\$ 7
Receivables			
Taxes	1,828	0	0
Due From Grantor	0	0	0
Interfund Balance	112,002	0	0
Inventory	0	0	0
Total Assets	<u>\$ 281,612</u>	<u>\$ 11,145</u>	<u>\$ 7</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	33,447	48	0
Deferred Revenue	1,468	0	0
Total Liabilities	<u>34,915</u>	<u>48</u>	<u>0</u>
Fund Balances			
Nonspendible-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General	246,697	11,097	7
Total Fund Balances	<u>246,697</u>	<u>11,097</u>	<u>7</u>
Total Liabilities and Fund Balances	<u>\$ 281,612</u>	<u>\$ 11,145</u>	<u>\$ 7</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2011

	Special Revenue		
	Title I 24101	IDEA B Entitlement 24106	IDEA B Discretionary 24107
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	17,509	24,736	31,474
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 17,509</u>	<u>\$ 24,736</u>	<u>\$ 31,474</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 17,359	\$ 24,711	\$ 31,474
Accounts Payable	150	25	0
Deferred Revenue	0	0	0
Total Liabilities	<u>17,509</u>	<u>24,736</u>	<u>31,474</u>
Fund Balances			
Nonspendible-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 17,509</u>	<u>\$ 24,736</u>	<u>\$ 31,474</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	<u>Special Revenue</u>		<u>Capital Projects</u>
	Education Job Fund 25255	Wind Farm 29134	Bond Building 31100
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 275,556	\$ 583,545
Receivables			
Taxes	0	0	0
Due From Grantor	26,540	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 26,540</u>	<u>\$ 275,556</u>	<u>\$ 583,545</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 26,540	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>26,540</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendible-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	275,556	0
Capital Improvements	0	0	583,545
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General	0	0	0
Total Fund Balances	<u>0</u>	<u>275,556</u>	<u>583,545</u>
Total Liabilities and Fund Balances	<u>\$ 26,540</u>	<u>\$ 275,556</u>	<u>\$ 583,545</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	<u>Capital Projects</u>		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 247,875	\$ 315,204	\$ 195,173
Receivables			
Taxes	5,342	17,462	0
Due From Grantor	0		11,976
Interfund Balance	0	0	0
Inventory	0	0	2,192
Total Assets	<u>\$ 253,217</u>	<u>\$ 332,666</u>	<u>\$ 209,341</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 11,918
Accounts Payable	6,880	0	259
Deferred Revenue	4,502	14,883	711
Total Liabilities	<u>11,382</u>	<u>14,883</u>	<u>12,888</u>
 Fund Balances			
Nonspendable-Inventory	0	0	2,192
Restricted for, reported in			
Special Revenue Funds	0	0	194,261
Capital Improvements	0	0	0
Debt Service	0	317,783	0
Assigned-Capital Projects	241,835	0	0
Unassigned-General	0	0	0
Total Fund Balances	<u>241,835</u>	<u>317,783</u>	<u>196,453</u>
 Total Liabilities and Fund Balances	 <u>\$ 253,217</u>	 <u>\$ 332,666</u>	 <u>\$ 209,341</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2011

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 1,796,287
Receivables	
Taxes	24,632
Due From Grantor	112,235
Interfund Balance	112,002
Inventory	2,192
Total Assets	<u>\$ 2,047,348</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 112,002
Accounts Payable	40,809
Deferred Revenue	21,564
Total Liabilities	<u>174,375</u>
Fund Balances	
Nonspendible-Inventory	2,192
Restricted for, reported in	
Special Revenue Funds	469,817
Capital Improvements	583,545
Debt Service	317,783
Assigned-Capital Projects	241,835
Unassigned-General	257,801
Total Fund Balances	<u>1,872,973</u>
Total Liabilities and Fund Balances	<u>\$ 2,047,348</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2011

Total Fund Balance - Governmental Funds \$ 1,872,973

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 20,853

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$ 22,280,155	
Accumulated depreciation is	<u>(3,257,130)</u>	19,023,025

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bonds payable	(2,335,000)	
Issue Costs	79,744	
Accumulated Amortization	(19,122)	
Accrued Interest	(20,870)	
Compensated Absences	<u>(9,142)</u>	<u>(2,304,390)</u>

Total Net Assets - Governmental Activities \$ 18,612,461

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Material 14000
Revenues			
Property Taxes	\$ 26,067	\$ 0	\$ 0
Interest Income	11,312	0	0
Fees	4,312	0	0
State and Local Grants	3,337,840	426,645	11,683
Federal Grants	0	0	0
Miscellaneous	33,815	0	0
Total Revenues	<u>3,413,346</u>	<u>426,645</u>	<u>11,683</u>
Expenditures			
Current			
Instruction	2,160,776	0	18,713
Support Services-Students	196,575	0	0
Support Services-Instruction	69,800	0	0
Support Services-General Administration	125,352	0	0
Support Services-School Administration	202,747	0	0
Central Services	120,237	0	0
Operation & Maintenance of Plant	502,984	0	0
Student Transportation	6,023	415,548	0
Other	1,480	0	0
Food Service	27,725	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,413,699</u>	<u>415,548</u>	<u>18,713</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(353)</u>	<u>11,097</u>	<u>(7,030)</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(353)	11,097	(7,030)
Fund Balances at Beginning of Year	<u>247,050</u>	<u>0</u>	<u>7,037</u>
Fund Balance at End of Year	<u>\$ 246,697</u>	<u>\$ 11,097</u>	<u>\$ 7</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Title I 24101	IDEA B Entitlement 24106	IDEA B Discretionary 24107
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	79,758	87,528	59,721
Miscellaneous	0	0	0
Total Revenues	<u>79,758</u>	<u>87,528</u>	<u>59,721</u>
Expenditures			
Current			
Instruction	74,461	52,041	41,086
Support Services-Students	0	23,505	18,635
Support Services-Instruction	0	11,982	0
Support Services-General Administration	0	0	0
Support Services-School Administration	5,297	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>79,758</u>	<u>87,528</u>	<u>59,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		Capital Projects
	Education Job Fund 25255	Wind Farm 29134	Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	14,109
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	89,214	0	0
Miscellaneous	0	72,864	0
Total Revenues	<u>89,214</u>	<u>72,864</u>	<u>14,109</u>
Expenditures			
Current			
Instruction	89,214	1,724	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	39,987	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	0
Capital Outlay	0	273,979	838,215
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>89,214</u>	<u>315,690</u>	<u>838,215</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(242,826)</u>	<u>(824,106)</u>
Other Financing Sources (Uses)			
Transfers		518,382	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>518,382</u>	<u>0</u>
Net Changes in Fund Balance	0	275,556	(824,106)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>1,407,651</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 275,556</u>	<u>\$ 583,545</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	<u>Capital Projects</u>		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Revenues			
Property Taxes	\$ 105,076	\$ 320,986	\$ 0
Interest Income	2,244	1,335	296
Fees	0	0	75,861
State and Local Grants	23,000	0	64,189
Federal Grants	0	0	751,687
Miscellaneous	1,175	0	53
Total Revenues	<u>131,495</u>	<u>322,321</u>	<u>892,086</u>
Expenditures			
Current			
Instruction	0	0	100,937
Support Services-Students	0	0	148,196
Support Services-Instruction	0	0	11,773
Support Services-General Administration	1,050	3,207	12,528
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	51,365	0	2,106
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	134,437
Capital Outlay	66,000	0	479,494
Debt Service			
Principal	0	235,000	0
Interest	0	61,760	0
Total Expenditures	<u>118,415</u>	<u>299,967</u>	<u>889,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,080</u>	<u>22,354</u>	<u>2,615</u>
Other Financing Sources (Uses)			
Transfers	0	0	(518,382)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(518,382)</u>
Net Changes in Fund Balance	13,080	22,354	(515,767)
Fund Balances at Beginning of Year	<u>228,755</u>	<u>295,429</u>	<u>712,220</u>
Fund Balance at End of Year	<u>\$ 241,835</u>	<u>\$ 317,783</u>	<u>\$ 196,453</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2011

	Total Governmental Funds
	<u> </u>
Revenues	
Property Taxes	\$ 452,129
Interest Income	29,296
Fees	80,173
State and Local Grants	3,863,357
Federal Grants	1,067,908
Miscellaneous	107,907
Total Revenues	<u> 5,600,770</u>
Expenditures	
Current	
Instruction	2,538,952
Support Services-Students	386,911
Support Services-Instruction	93,555
Support Services-General Administration	142,137
Support Services-School Administration	208,044
Central Services	120,237
Operation & Maintenance of Plant	596,442
Student Transportation	421,571
Other	1,480
Food Service	162,162
Capital Outlay	1,657,688
Debt Service	
Principal	235,000
Interest	61,760
Total Expenditures	<u> 6,625,939</u>
Excess (Deficiency) of Revenues Over Expenditures	<u> (1,025,169)</u>
Other Financing Sources (Uses)	
Transfers	<u> 0</u>
Total Other Financing Sources (Uses)	<u> 0</u>
Net Changes in Fund Balance	(1,025,169)
Fund Balances at Beginning of Year	<u> 2,898,142</u>
Fund Balance at End of Year	<u><u> \$ 1,872,973</u></u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2011

Net Change in Fund Balance \$ (1,025,169)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes, June 30, 2010	(18,857)	
Property Taxes, June 30, 2011	<u>20,853</u>	1,996

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.

Depreciation expense	\$ (317,901)	
Capital Outlays	<u>1,657,688</u>	1,339,787

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 235,000

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds.

Amortization of Issue Cost this year		(7,974)
--------------------------------------	--	---------

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest, June 30, 2010	23,502	
Accrued Interest, June 30, 2011	<u>(20,870)</u>	2,632

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2010	9,477	
Compensated Absences, June 30, 2011	<u>(9,142)</u>	<u>335</u>

Changes in Net Assets of Governmental Activities		<u>\$ 546,607</u>
--	--	-------------------

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 24,921	24,921	\$ 25,860	\$ 939
Interest Income	14,000	14,000	11,312	(2,688)
Fees	6,900	6,900	4,312	(2,588)
State Grant	3,446,050	3,446,050	3,337,840	(108,210)
Miscellaneous	0	0	33,815	33,815
Total Revenues	<u>3,491,871</u>	<u>3,491,871</u>	<u>3,413,139</u>	<u>(78,732)</u>
Expenditures				
Instruction				
Personnel Services	1,649,879	1,565,683	1,525,748	39,935
Employee Benefits	608,976	562,187	533,916	28,271
Professional & Tech Services	8,650	11,716	8,666	3,050
Purchased Property Services	0	343	0	343
Purchased Services	24,350	38,312	32,845	5,467
Supplies	42,721	79,269	52,879	26,390
Total Instruction	<u>2,334,576</u>	<u>2,257,510</u>	<u>2,154,054</u>	<u>103,456</u>
Support Services-Students				
Personnel Services	178,437	140,410	140,009	401
Employee Benefits	73,067	59,193	56,096	3,097
Supplies	0	500	0	500
Total Support Services-Students	<u>251,504</u>	<u>200,103</u>	<u>196,105</u>	<u>3,998</u>
Support Services-Instruction				
Personnel Services	41,492	41,492	41,404	88
Employee Benefits	28,680	27,927	27,228	699
Professional & Tech Services	0	250	59	191
Supplies	0	3,300	1,109	2,191
Total Support Services-Instruction	<u>70,172</u>	<u>72,969</u>	<u>69,800</u>	<u>3,169</u>
Support Services-General Administration				
Personnel Services	89,949	72,535	72,534	1
Employee Benefits	28,331	23,005	22,398	607
Professional & Tech Services	27,408	31,733	23,885	7,848
Purchased Services	4,634	8,309	4,206	4,103
Supplies	100	600	347	253
Total Support Services-General Administration	<u>150,422</u>	<u>136,182</u>	<u>123,370</u>	<u>12,812</u>

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 155,742	\$ 177,363	\$ 161,862	\$ 15,501
Employee Benefits	36,659	41,304	40,305	999
Professional & Tech Services	400	580	580	0
Supplies	200	200	0	200
Total Support Services-School	<u>193,001</u>	<u>219,447</u>	<u>202,747</u>	<u>16,700</u>
Central Services				
Personnel Services	83,300	85,300	85,125	175
Employee Benefits	29,205	27,779	27,169	610
Professional & Tech Services	1,000	1,000	519	481
Supplies	7,390	9,755	7,423	2,332
Total Central Services	<u>120,895</u>	<u>123,834</u>	<u>120,236</u>	<u>3,598</u>
Operation & Maintenance of Plant				
Personnel Services	150,125	144,536	137,994	6,542
Employee Benefits	86,191	81,463	64,702	16,761
Purchased Property Services	148,632	210,178	156,308	53,870
Purchased Services	104,000	104,000	104,000	0
Supplies	15,600	33,376	26,911	6,465
Total Operation & Maintenance of Plant	<u>504,548</u>	<u>573,553</u>	<u>489,915</u>	<u>83,638</u>
Transportation				
Purchased Property Services	500	8,000	5,986	2,014
Supplies	200	200	37	163
Total Transportation	<u>700</u>	<u>8,200</u>	<u>6,023</u>	<u>2,177</u>
Other Support Services				
Professional & Tech Services	0	2,420	1,480	940
Total Other Support Services	<u>0</u>	<u>2,420</u>	<u>1,480</u>	<u>940</u>
Food Service				
Personnel Services	13,324	13,324	13,272	52
Employee Benefits	15,068	15,068	14,453	615
Total Food Service	<u>28,392</u>	<u>28,392</u>	<u>27,725</u>	<u>667</u>
Total Expenditures	<u>\$ 3,654,210</u>	<u>\$ 3,622,610</u>	<u>\$ 3,391,455</u>	<u>\$ 231,155</u>

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (162,339)	\$ (130,739)	\$ 21,684	\$ 152,423
Cash Balance Beginning of Year	<u>258,100</u>	<u>258,100</u>	<u>258,100</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 95,761</u>	<u>\$ 127,361</u>	<u>\$ 279,784</u>	<u>\$ 152,423</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 21,684	
Net Change in Taxes Receivable			207	
Net Change in Accounts Payable			<u>(22,244)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (353)</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 451,800	\$ 451,800	\$ 426,645	\$ (25,155)
Total Revenues	<u>451,800</u>	<u>451,800</u>	<u>426,645</u>	<u>(25,155)</u>
Expenditures				
Transportation				
Personnel Services	45,336	64,140	62,130	2,010
Employee Benefits	25,016	27,545	24,012	3,533
Professional & Tech Services	2,500	6,041	6,041	0
Purchased Property Services	39,942	34,317	31,184	3,133
Other Purchased Services	312,006	288,010	287,542	468
Supplies	17,000	6,592	4,591	2,001
Total Transportation	<u>441,800</u>	<u>426,645</u>	<u>415,500</u>	<u>2,469</u>
Total Expenditures	<u>441,800</u>	<u>426,645</u>	<u>415,500</u>	<u>2,469</u>
Excess (Deficiency) of Revenues Over Expenditures	10,000	25,155	11,145	(14,010)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,000</u>	<u>\$ 25,155</u>	<u>\$ 11,145</u>	<u>\$ (14,010)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,145	
Net Change in Accounts Payable			(48)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 11,097</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIAL-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 11,406	\$ 11,406	\$ 11,683	\$ 277
Total Revenues	<u>11,406</u>	<u>11,406</u>	<u>11,683</u>	<u>277</u>
Expenditures				
Instruction				
Supplies	20,789	18,713	18,713	0
Total Instruction	<u>20,789</u>	<u>18,713</u>	<u>18,713</u>	<u>0</u>
Total Expenditures	<u>20,789</u>	<u>18,713</u>	<u>18,713</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,383)	(7,307)	(7,030)	277
Cash Balance Beginning of Year	<u>7,037</u>	<u>7,037</u>	<u>7,037</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(2,346)</u>	\$ <u>(270)</u>	\$ <u>7</u>	\$ <u>277</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(7,030)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(7,030)</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 100,625	\$ 128,039	\$ 81,158	\$ (46,881)
Total Revenues	<u>100,625</u>	<u>128,039</u>	<u>81,158</u>	<u>(46,881)</u>
Expenditures				
Instruction				
Personnel Services	60,100	45,847	45,745	102
Employee Benefits	20,799	16,551	16,251	300
Professional & Tech Services	817	817	154	663
Supplies	0	40,606	12,161	28,445
Total Instruction	<u>81,716</u>	<u>103,821</u>	<u>74,311</u>	<u>29,510</u>
Support Services-School Administration				
Personnel Services	0	4,426	4,416	10
Employee Benefits	0	883	881	2
Total Support Services-School Administration	<u>0</u>	<u>5,309</u>	<u>5,297</u>	<u>12</u>
Total Expenditures	<u>81,716</u>	<u>109,130</u>	<u>79,608</u>	<u>29,522</u>
Excess (Deficiency) of Revenues Over Expenditures	18,909	18,909	1,550	(17,359)
Cash Balance Beginning of Year	<u>(18,909)</u>	<u>(18,909)</u>	<u>(18,909)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (17,359)</u>	<u>\$ (17,359)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,550	
Net Change in Due from Grantor			(1,400)	
Net Change in Deferred Revenue			(150)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 106,579	\$ 107,612	\$ 81,084	\$ (26,528)
Total Revenues	<u>106,579</u>	<u>107,612</u>	<u>81,084</u>	<u>(26,528)</u>
Expenditures				
Instruction				
Personnel Services	38,615	38,560	38,415	145
Employee Benefits	14,375	13,580	12,882	698
Supplies	106	1,535	719	816
Total Instruction	<u>53,096</u>	<u>53,675</u>	<u>52,016</u>	<u>1,659</u>
Support Services-Students				
Personnel Services	15,517	14,856	14,855	1
Employee Benefits	7,426	7,924	7,808	116
Professional & Tech Services	0	842	841	1
Total Support Services-Students	<u>22,943</u>	<u>23,622</u>	<u>23,504</u>	<u>118</u>
Support Services-Instruction				
Personnel Services	10,000	10,001	10,000	1
Employee Benefits	2,247	2,021	1,982	39
Total Support Services-Instruction	<u>12,247</u>	<u>12,022</u>	<u>11,982</u>	<u>40</u>
Total Expenditures	<u>88,286</u>	<u>89,319</u>	<u>87,502</u>	<u>1,817</u>
Excess (Deficiency) of Revenues Over Expenditures	18,293	18,293	(6,418)	(24,711)
Cash Balance Beginning of Year	<u>(18,293)</u>	<u>(18,293)</u>	<u>(18,293)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(24,711)</u>	\$ <u>(24,711)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,418)	
Net Change in Due from Grantor			6,443	
Net Change in Accounts Payable			(25)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 57,974	\$ 26,500	\$ (31,474)
Total Revenues	<u>0</u>	<u>57,974</u>	<u>26,500</u>	<u>(31,474)</u>
Expenditures				
Instruction				
Personnel Services	0	29,506	29,506	0
Employee Benefits	0	6,256	6,256	0
Professional & Tech Services	0	2,565	2,565	0
Other Purchased Services	0	2,518	2,518	0
Supplies	1,747	241	241	0
Total Instruction	<u>1,747</u>	<u>41,086</u>	<u>41,086</u>	<u>0</u>
Support Services-Students				
Personnel Services	0	15,559	15,559	0
Employee Benefits	0	3,076	3,076	0
Total Support Services-Students	<u>0</u>	<u>18,635</u>	<u>18,635</u>	<u>0</u>
Total Expenditures	<u>1,747</u>	<u>59,721</u>	<u>59,721</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,747)	(1,747)	(33,221)	(31,474)
Cash Balance Beginning of Year	<u>1,747</u>	<u>1,747</u>	<u>1,747</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (31,474)</u>	<u>\$ (31,474)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (33,221)	
Net Change in Due from Grantor			31,474	
Net Change in Deferred Revenue			1,747	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-EDUCATION JOB FUND-25255
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 89,214	\$ 62,674	\$ (26,540)
Total Revenues	<u>0</u>	<u>89,214</u>	<u>62,674</u>	<u>(26,540)</u>
Expenditures				
Instruction				
Personnel Services	0	74,177	74,177	0
Employee Benefits	<u>0</u>	<u>15,037</u>	<u>15,037</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>89,214</u>	<u>89,214</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>89,214</u>	<u>89,214</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(26,540)	(26,540)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (26,540)</u>	<u>\$ (26,540)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (26,540)	
Net Change in Due from Grantor			<u>26,540</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-WIND FARM PROJECTS-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 508,547	\$ 538,547	\$ 90,165	\$ (448,382)
Total Revenues	<u>508,547</u>	<u>538,547</u>	<u>90,165</u>	<u>(448,382)</u>
Expenditures				
Instruction				
Supply Assets	190,165	190,165	1,724	188,441
Total Instruction	<u>190,165</u>	<u>190,165</u>	<u>1,724</u>	<u>188,441</u>
Operation & Maintenance of Plant				
Purchased Services	10,000	40,000	39,289	711
Supplies	10,000	10,000	698	9,302
Total Operation & Maintenance of Plant	<u>20,000</u>	<u>50,000</u>	<u>39,987</u>	<u>10,013</u>
Capital Outlay				
Purchased Property Services	281,081	281,081	273,979	7,102
Total Capital Outlay	<u>281,081</u>	<u>281,081</u>	<u>273,979</u>	<u>7,102</u>
Total Expenditures	<u>491,246</u>	<u>521,246</u>	<u>315,690</u>	<u>205,556</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,301</u>	<u>17,301</u>	<u>(225,525)</u>	<u>(653,938)</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	518,382	518,382
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>518,382</u>	<u>518,382</u>
Net Change in Cash Balance	17,301	17,301	292,857	(135,556)
Cash Balance Beginning of Year	<u>(17,301)</u>	<u>(17,301)</u>	<u>(17,301)</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>275,556</u></u>	\$ <u><u>135,556</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 292,857	
Net Change in Due from Grantor			<u>(17,301)</u>	
Net Change in Fund Balance			\$ <u><u>275,556</u></u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 145,312
Total Assets	<u>\$ 145,312</u>
Liabilities	
Deposits Held for Others	\$ 145,312
Total Liabilities	<u>\$ 145,312</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fort Sumner Municipal Schools (District) , has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

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

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

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

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

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

Governmental Funds

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

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

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

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District. The Agency funds are accounted for using the economic resources measurement focus and accrual basis of accounting.

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

MAJOR FUNDS

The District reports the following major governmental funds:

General (11000) (13000) (14000). The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

MAJOR SPECIAL REVENUE FUNDS

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA B (24106) (24107). 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 the Individuals with Disabilities Education Act, Part B, Sections 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. The fund was created by the authority of federal grant provisions.

Education Jobs Fund (25255). To provide for the compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. Authorized by PL No 111-226.

Wind Farm Projects (29134). To account for a local grant funded by a wind farm in lieu of paying property taxes, to teach the students about future wind farm technology, a growing industry in the area. The fund was created by grant provisions.

MAJOR CAPITAL OUTLAY FUNDS

Bond Building (31100). The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Capital Improvement Senate Bill-Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements, maintenance of the facilities and supplies.

MAJOR DEBT SERVICE FUND

Debt Service (41000). 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 a tax levy based upon property values.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, and including grants for transportation, instructional materials, food service. special revenue funds such as special education as well as others and federal and state programs 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

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

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

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

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

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBPU.

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

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 the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments

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

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

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

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

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

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

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	5-20 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

Short -Term Debt

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

Long-Term Liabilities

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

Restricted Net Assets

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

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

Compensated Absences

Twelve-month employees will earn ten (10) days annual leave per contract year. The Superintendent will earn fifteen (15) days annual leave per contract year. Twelve-month employees may accumulate up to twenty (20) days of annual leave. The Superintendent may accumulate up to thirty (30) days of annual leave. Any leave beyond these limits must be used by June 30 of the current contract year or within 18 months after the granting of a special provision to extend the limits. Special provisions to extend the limits of accumulated annual leave by twelve-month employees may be approved by the Superintendent. The Superintendent may extend the limits of accumulated annual leave by receiving the approval of the Board of Education. Upon cancellation of the employment contract, no payment shall be made for more than twenty (20) days of unused annual leave for twelve-month employees and thirty (30) days for the Superintendent.

Estimates

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

NOTE B: DEPOSITS AND INVESTMENTS

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

The Citizens Bank of Clovis

<u>Name of Account</u>	Balance Per Bank 06-30-11	Reconciled Balance	<u>Type</u>
Payment Account	\$ 578,135	\$ 247,930	Checking
Deposit Account	1,468,809	1,468,809	Checking
Draw Account	159,462	154,295	Checking
Hot Lunch	75,811	68,373	Checking
High School	50	50	Checking
Memorial Funds	2,142	2,142	CD
TOTAL Deposited	<u>2,284,409</u>	<u>\$ 1,941,599</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	2,034,409		
50% collateral requirement	1,017,205		
Pledged securities	<u>2,718,634</u>		
Over (Under) requirement	<u>\$ 1,701,430</u>		

The following securities are pledged

<u>Description</u>	<u>CUSIP #</u>	Par/ <u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
GNMA II Pool # 3984	36202EM97	\$ 1,532,439	05/20/37	* IB AFS
GNMA Pool #4083	36202ERC5	905,618	02/20/38	* IB AFS
GNMA II Pool #80444	36225CP67	212,962	08/20/30	* IB AFS
GNMA II Pool # 80719	36225CYR1	67,615	06/20/33	* IB AFS
		<u>\$ 2,718,634</u>		

* Independent Bank AFS
Dallas TX

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	2,034,409
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 2,284,409</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011, none of District's bank balance of \$2,284,409 was exposed to custodial credit risk.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>				
	Title I 24101	IDEA B Entitlement 24106	IDEA B Discretionary 24107	Education Job Fund 25255	Other Governmental Funds
General Fund	\$ 17,359	\$ 24,711	\$ 31,474	\$ 26,540	\$ 11,918
Totals	<u>\$ 17,359</u>	<u>\$ 24,711</u>	<u>\$ 31,474</u>	<u>\$ 26,540</u>	<u>\$ 11,918</u>

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

NOTE E: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2011:

	Operational Fund 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes Receivable:	\$		
Available	360	840	2,579
Unavailable	1,468	4,502	14,883
TOTAL Property Taxes Receivable	<u>\$ 1,828</u>	<u>\$ 5,342</u>	<u>\$ 17,462</u>

NOTE F: DUE FROM GRANTOR

Amounts due from other agencies and units of government were as follows as of June 30, 2011:

Federal Agencies	\$ 112,235
State Agencies	0
Total	<u>\$ 112,235</u>

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

NOTE G: DEFERRED REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2011:

	Operational Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Property Taxes	\$ 1,468	\$ 4,502	\$ 14,883	\$ 0
Federal Revenues	0	0	0	711
TOTAL Deferred Revenues	\$ 1,468	\$ 4,502	\$ 14,883	\$ 711

NOTE H: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2011, is as follows:

	Balance 6/30/10	Increases	Decreases	Balance 6/30/11
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Construction In Progress	12,902,452	1,591,688	14,494,140	0
Total Capital Assets, not being Depreciated	<u>12,902,452</u>	<u>1,591,688</u>	<u>14,494,140</u>	<u>0</u>
Capital Assets, being Depreciated				
Buildings & Improvements	5,774,333	14,494,140	0	20,268,473
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,945,682	66,000	0	2,011,682
Total Capital Assets, being Depreciated	<u>7,720,015</u>	<u>14,560,140</u>	<u>0</u>	<u>22,280,155</u>
Total Capital Assets	<u>\$ 20,622,467</u>	<u>\$ 16,151,828</u>	<u>\$ 14,494,140</u>	<u>\$ 22,280,155</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 2,002,296	\$ 304,669	\$ 0	\$ 2,306,965
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	936,933	13,232	0	950,165
Total Accumulated Depreciation	<u>2,939,229</u>	<u>317,901</u>	<u>0</u>	<u>3,257,130</u>
Capital Assets, net	<u>\$ 17,683,238</u>	<u>\$ 15,833,927</u>	<u>\$ 14,494,140</u>	<u>\$ 19,023,025</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 317,901
Total depreciation expenses	<u>\$ 317,901</u>

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

NOTE I: LONG TERM DEBT

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

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 2,570,000	\$ 0	\$ 235,000	\$ 2,335,000	\$ 255,000
Total Bonds	<u>2,570,000</u>	<u>0</u>	<u>235,000</u>	<u>2,335,000</u>	<u>255,000</u>
Other Liabilities					
Compensated					
Absences	9,477	11,837	12,172	9,142	
Total Other	<u>9,477</u>	<u>11,837</u>	<u>12,172</u>	<u>9,142</u>	<u>0</u>
Liabilities					
Long-Term Liabilities					
Liabilities	\$ 2,579,477	\$ 11,837	\$ 247,172	\$ 2,344,142	\$ 255,000

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund.

Reconciliation of Long-Term Debt disclosed in Note I to the Long-Term Debt reported in the Statement of Net Assets.

Above Balance	\$ 2,335,000
Issue Costs	(79,744)
Accumulated Amortization	19,122
Statement of Net Assets	<u>\$ 2,274,378</u>
Government Wide Statements	
Amount Reported as Current Amount Due	\$ 255,000
Amount Reported as Long-Term Due	2,019,378
Statement of Net Assets	<u>\$ 2,274,378</u>

General Obligation Bonds.

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

Series	Date of Issue	Original Amount	Interest Rate	Balance
2003	05/09/03	700,000	.910% - 2.6%	\$ 250,000
2007	11/16/07	1,500,000	3.570 %	1,205,000
2010	10/15/2009	880,000	2.09%	880,000
				<u>\$ 2,335,000</u>

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2011

The annual requirements to amortize the general obligation bonds including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 255,000	\$ 60,346	\$ 315,346
2013	275,000	53,770	328,770
2014	295,000	46,650	341,650
2015	310,000	38,556	348,556
2016	280,000	30,253	310,253
2017-2020	920,000	42,097	962,097
	<u>\$ 2,335,000</u>	<u>\$ 271,672</u>	<u>\$ 2,606,672</u>

NOTE J: COMMITMENTS

The District is doing a campus wide remodel and improvement at an estimated cost of \$1.3 million.

NOTE K: PENSION PLAN

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

Effective July 1, 2009 through June 30, 2011, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$510,003, \$517,634 and \$494,642 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE L: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

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

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

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2011

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$62,784, \$49,489 and \$50,981 respectively, which equal the required contributions for each year.

NOTE M: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

Reconciliations are located at the bottom of each budget actual.

NOTE N: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

NOTE O: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE P: JOINT POWERS AGREEMENT

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others. The REC is the fiscal agent and responsible for the audit.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC passed-through \$0, to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the REC funds were reported as revenues and expenditures in the following special revenue funds:

The financial statements for the REC were prepared by another IPA. The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 5,000	\$ 5,000	\$ 14,109	\$ 9,109
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>14,109</u>	<u>9,109</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	100,000	130,682	130,682	0
Construction Services	<u>785,000</u>	<u>1,281,969</u>	<u>707,533</u>	<u>574,436</u>
Total Capital Outlay	<u>885,000</u>	<u>1,412,651</u>	<u>838,215</u>	<u>574,436</u>
Total Expenditures	<u>885,000</u>	<u>1,412,651</u>	<u>838,215</u>	<u>574,436</u>
Excess (Deficiency) of Revenues Over Expenditures	(880,000)	(1,407,651)	(824,106)	583,545
Cash Balance Beginning of Year	<u>1,407,651</u>	<u>1,407,651</u>	<u>1,407,651</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 527,651</u>	<u>\$ 0</u>	<u>\$ 583,545</u>	<u>\$ 583,545</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (824,106)	
Net Change in Fund Balance			<u>\$ (824,106)</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 CAPITAL PROJECTS FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 101,110	\$ 101,110	\$ 104,965	\$ 3,855
Interest Income	2,000	2,000	2,244	244
Other	0	0	1,175	1,175
State Grant	0	23,000	23,000	0
Total Revenues	<u>103,110</u>	<u>126,110</u>	<u>131,384</u>	<u>5,274</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>1,011</u>	<u>1,050</u>	<u>1,050</u>	<u>0</u>
Total Support Services-General Administration	<u>1,011</u>	<u>1,050</u>	<u>1,050</u>	<u>0</u>
Capital Outlay				
Purchased Property Services	40,499	36,470	32,815	3,655
Supplies	0	90	89	1
Supply Assets	<u>161,600</u>	<u>316,527</u>	<u>77,582</u>	<u>238,945</u>
Total Capital Outlay	<u>202,099</u>	<u>353,087</u>	<u>110,486</u>	<u>242,601</u>
Total Expenditures	<u>203,110</u>	<u>354,137</u>	<u>111,536</u>	<u>242,601</u>
Excess (Deficiency) of Revenues Over Expenditures	(100,000)	(228,027)	19,848	247,875
Cash Balance Beginning of Year	<u>228,027</u>	<u>228,027</u>	<u>228,027</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 128,027</u>	<u>\$ 0</u>	<u>\$ 247,875</u>	<u>\$ 247,875</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 19,848	
Net Change in Taxes Receivable			111	
Net Change in Accounts Payable			(6,879)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 13,080</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 296,760	\$ 296,760	\$ 320,651	\$ 23,891
Interest Income	800	800	1,335	535
Total Revenues	<u>297,560</u>	<u>297,560</u>	<u>321,986</u>	<u>24,426</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>2,969</u>	<u>3,207</u>	<u>3,207</u>	<u>0</u>
Total Support Services-General Administration	<u>2,969</u>	<u>3,207</u>	<u>3,207</u>	<u>0</u>
Debt Service				
Principal	235,000	235,000	235,000	0
Interest	<u>61,760</u>	<u>61,760</u>	<u>61,760</u>	<u>0</u>
Total Debt Service	<u>296,760</u>	<u>296,760</u>	<u>296,760</u>	<u>0</u>
Total Expenditures	<u>299,729</u>	<u>299,967</u>	<u>299,967</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,169)	(2,407)	22,019	24,426
Cash Balance Beginning of Year	<u>293,185</u>	<u>293,185</u>	<u>293,185</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 291,016</u>	<u>\$ 290,778</u>	<u>\$ 315,204</u>	<u>\$ 24,426</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,019	
Net Change in Taxes Receivable			335	
Net Change in Outstanding Taxes			1,242	
Net Change in Deferred Revenue			(1,242)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 22,354</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

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

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

IDEA B, Risk Pool (24120). 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 the Individuals with Disabilities Education Act, Part B, Sections 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. The fund was created by the authority of federal grant provisions.

E2T2-C (24149). To account for revenues and expenditures received from a federal grant to be used to encourage elementary and secondary schools and community-based agencies to create, develop, and offer service learning opportunities for school-age youth. The fund was created by the authority of the National and Community Service Act of 1990, as amended.

Teacher Training & Recruiting (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Safe & Drug Free Schools (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

Title III Immigrant Grant (24163). To account for the revenues and expenditures provided for daily tutoring in intensive English instruction in the area of reading. Funds are received through the New Mexico Department of Education. The fund was created by the authority of federal grant provisions. (PL 103-382).

Title I Recovery Act (24201). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA, Part B Recovery Act (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 the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

NONMAJOR SPECIAL REVENUE FUNDS

IDEA Preschool Recovery Act (24209). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Education Homeless Recovery Act (24213). To account for a program funded by the U.S. Department of Education through the New Mexico Public Education Department to provide services for schools that have children and youth who were displaced by Hurricane Katrina. The students are entitled to the same services as any other student in the district, including transportation, special education, etc. The fund was created by the authority of federal grant provisions.

School Breakfast (24290). To account for revenues and expenditures from a federal grant from the Child Nutrition ARRA funds for the purpose of providing a free breakfast to elementary students. The fund was created by grant provisions.

Rural Education Achievement Program (25233). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

State Fiscal Stabilization Program Fund (25250). The objectives of this grant are to support and restore funding for elementary and secondary education, to avoid reductions in budgets for education and other essential services in exchange for a commitment to advance essential education reforms. The fund was created by grant provisions.

Dual Credit (27103). To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state grant provisions.

GO Library Books (27105). To provide funding for the purchase of library books. The fund was created by the authority of state grant provision.

Tech for Education (27117). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

State Directed Activities (27200). To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

Florida Power & Light (29129). To account for resources and expenditures from a Wind Farm who makes payments in lieu of Property Taxes, Parents Reaching Out for the purpose of development and implementation of the School Parent Community Involvement Plan. The fund was created by grant provisions.

School Based Health (29130). To account for funds to provide health services to students. The fund was created by state grant provisions.

Microsoft (29132). To account for funds received from a settlement with Microsoft. Funds can be spent for partners in learning greenhouse project. The fund was created by grant provisions.

NONMAJOR SPECIAL REVENUE FUNDS

NONMAJOR CAPITAL PROJECTS FUND

Energy Efficiency Measures (28187). To account for a federal grant from the Department of Energy ARRA funds for the purpose of purchasing and installing a HVAC unit in the gym.

Special Capital Outlay-State (31400). To account for a state grant specifically for the use of construction to improve the buildings and grounds of the District.

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 68,374	\$ 11,237	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	1,822
Inventory	2,192	0	0
Total Assets	\$ 70,566	\$ 11,237	\$ 1,822
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 1,822
Payables	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	0	1,822
Fund Balance			
Nonspendable-Inventory	2,192	0	0
Restricted for, reported in			
Special Revenue Funds	68,374	11,237	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	70,566	11,237	0
Total Liabilities and Fund Balance	\$ 70,566	\$ 11,237	\$ 1,822

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	IDEA B Risk Pool 24120	E2T2-C 24149	Teacher Training & Recruiting 24154
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	7,942
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 7,942
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 7,884
Payables	0	0	58
Deferred Revenue	0	0	0
Total Liabilities	0	0	7,942
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 7,942

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Drug Free School & Community 24157	Title III Immigrant Grant 24163	Title I Recovery Act 24201
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 711	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	658
Inventory	0	0	0
Total Assets	\$ 0	\$ 711	\$ 658
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 658
Payables	0	0	0
Deferred Revenue	0	711	0
Total Liabilities	0	711	658
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 711	\$ 658

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	IDEA, Part B Recovery Act 24206	IDEA Preschool Recovery Act 24209	Homeless Education Recovery Act 24213
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	62	51	1,441
Inventory	0	0	0
Total Assets	\$ 62	\$ 51	\$ 1,441
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 62	\$ 51	\$ 1,441
Payables	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	62	51	1,441
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 62	\$ 51	\$ 1,441

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	School Breakfast 24290	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 0

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Duel Credit 27103	GO Library Books 27105	Tech for Education 27117
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	State Directed Activities <u>27200</u>	Florida Power & Light 29129 <u>29129</u>	School Based Health 29130 <u>29130</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 86,337
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,337</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	86,337
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>86,337</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,337</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue	Capital Projects	
	Microsoft 29132	Energy Efficiency Measures 28187	Special Capital Outlay State 31400
ASSETS			
Cash and Cash Equivalents	\$ 28,514	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 28,514	\$ 0	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	201	0	0
Deferred Revenue	0	0	0
Total Liabilities	201	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	28,313	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Total Fund Balance	28,313	0	0
Total Liabilities and Fund Balance	\$ 28,514	\$ 0	\$ 0

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Total
ASSETS	
Cash and Cash Equivalents	\$ 195,173
Receivables	
Taxes	0
Due From Grantor	11,976
Inventory	<u>2,192</u>
Total Assets	<u>\$ 209,341</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 11,918
Payables	259
Deferred Revenue	<u>711</u>
Total Liabilities	<u>12,888</u>
Fund Balance	
Nonspendable-Inventory	2,192
Restricted for, reported in	
Special Revenue Funds	194,261
Debt Service	0
Assigned-Capital Projects	<u>0</u>
Total Fund Balance	<u>196,453</u>
Total Liabilities and Fund Balance	<u>\$ 209,341</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Interest Income	\$ 169	\$ 127	\$ 0
Fees	35,695	40,166	0
State and Local Grants	0	0	0
Federal Grants	91,605	0	5,357
Miscellaneous	53	0	0
Total Revenues	<u>127,522</u>	<u>40,293</u>	<u>5,357</u>
Expenditures			
Current			
Instruction	0	41,158	5,357
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	123,637	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>123,637</u>	<u>41,158</u>	<u>5,357</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,885</u>	<u>(865)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	3,885	(865)	0
Fund Balances at Beginning of Year	<u>66,681</u>	<u>12,102</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 70,566</u>	<u>\$ 11,237</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	IDEA B Risk Pool 24120	E2T2-C 24149	Teacher Training & Recruiting 24154
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	645	9,507	23,850
Miscellaneous	0	0	0
Total Revenues	<u>645</u>	<u>9,507</u>	<u>23,850</u>
Expenditures			
Current			
Instruction	645	0	938
Support Services-Students	0	0	22,912
Support Services-Instruction	0	9,507	0
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>645</u>	<u>9,507</u>	<u>23,850</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Drug Free School & Community 24157	Title III Immigrant Grant 24163	Title I Recovery Act 24201
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	18,446
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>18,446</u>
Expenditures			
Current			
Instruction	0	0	18,446
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>18,446</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	IDEA, Part B Recovery Act 24206	IDEA Preschool Recovery Act 24209	Homeless Education Recovery Act 24213
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	629	187	8,000
Miscellaneous	0	0	0
Total Revenues	<u>629</u>	<u>187</u>	<u>8,000</u>
Expenditures			
Current			
Instruction	0	187	8,000
Support Services-Students	0	0	0
Support Services-Instruction	629	0	0
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>629</u>	<u>187</u>	<u>8,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	School Breakfast 24290	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	10,800	853	33,112
Miscellaneous	0	0	0
Total Revenues	<u>10,800</u>	<u>853</u>	<u>33,112</u>
Expenditures			
Current			
Instruction	0	853	10,390
Support Services-Students	0	0	18,979
Support Services-Instruction	0	0	1,637
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0		2,106
Food Service	10,800	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>10,800</u>	<u>853</u>	<u>33,112</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Duel Credit 27103	GO Library Books 27105	Tech for Education 27117
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	3,228	1,467	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>3,228</u>	<u>1,467</u>	<u>0</u>
Expenditures			
Current			
Instruction	3,228	1,467	268
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,228</u>	<u>1,467</u>	<u>268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(268)</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	(268)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>268</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	State Directed Activities 27200	Florida Power & Light & Light 29129	School Based Health 29130
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	55,000
Federal Grants	73,696	0	0
Miscellaneous	0	0	0
Total Revenues	<u>73,696</u>	<u>0</u>	<u>55,000</u>
Expenditures			
Current			
Instruction	10,000	0	0
Support Services-Students	51,168	0	38,889
Support Services-Instruction	0	0	0
Support Services-General Administration	12,528	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>73,696</u>	<u>0</u>	<u>38,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>16,111</u>
Other Financing Sources (Uses)			
Transfers	0	(518,382)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(518,382)</u>	<u>0</u>
Net Changes in Fund Balance	0	(518,382)	16,111
Fund Balances at Beginning of Year	<u>0</u>	<u>518,382</u>	<u>70,226</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,337</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue	Capital Projects	
	Microsoft 29132	Energy Efficiency Measures 28187	Special Capital Outlay State 31400
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	4,494
Federal Grants	0	475,000	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>475,000</u>	<u>4,494</u>
Expenditures			
Current			
Instruction	0		
Support Services-Students	16,248	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	475,000	4,494
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>16,248</u>	<u>475,000</u>	<u>4,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,248)</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(16,248)	0	0
Fund Balances at Beginning of Year	<u>44,561</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 28,313</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Total
Revenues	
Interest Income	\$ 296
Fees	75,861
State and Local Grants	64,189
Federal Grants	751,687
Miscellaneous	53
Total Revenues	<u>892,086</u>
Expenditures	
Current	
Instruction	100,937
Support Services-Students	148,196
Support Services-Instruction	11,773
Support Services-General Administration	12,528
Operation & Maintenance of Plant	2,106
Food Service	134,437
Capital Outlay	479,494
Debt Service	
Principal	0
Interest	0
Total Expenditures	<u>889,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,615</u>
Other Financing Sources (Uses)	
Transfers	<u>(518,382)</u>
Total Other Financing Sources (Uses)	<u>(518,382)</u>
Net Changes in Fund Balance	(515,767)
Fund Balances at Beginning of Year	<u>712,220</u>
Fund Balance End of Year	<u>\$ 196,453</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 200	\$ 200	\$ 169	\$ (31)
Fees	28,000	28,000	35,695	7,695
Federal Grant	80,000	80,000	84,864	4,864
Miscellaneous	0	0	53	53
Total Revenues	<u>108,200</u>	<u>108,200</u>	<u>120,781</u>	<u>12,581</u>
Expenditures				
Food Service				
Personnel Services	45,506	46,206	42,801	3,405
Employee Benefits	27,409	27,409	25,395	2,014
Professional & Tech Services	1,000	1,000	0	1,000
Other Purchased Services	103,085	99,912	46	99,866
Supplies	0	0	50,537	(50,537)
Total Food Service	<u>177,000</u>	<u>174,527</u>	<u>118,779</u>	<u>55,748</u>
Total Expenditures	<u>177,000</u>	<u>174,527</u>	<u>118,779</u>	<u>55,748</u>
Excess (Deficiency) of Revenues Over Expenditures	(68,800)	(66,327)	2,002	68,329
Cash Balance Beginning of Year	<u>66,372</u>	<u>66,372</u>	<u>66,372</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (2,428)</u>	<u>\$ 45</u>	<u>\$ 68,374</u>	<u>\$ 68,329</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,002	
Net Change in Inventory			<u>1,883</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,885</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 34,000	\$ 40,000	\$ 40,166	\$ 166
Interest Income	167	167	127	(40)
Total Revenues	<u>34,167</u>	<u>40,167</u>	<u>40,293</u>	<u>126</u>
Expenditures				
Instruction				
Personnel Services	3,219	3,219	3,091	128
Employee Benefits	1,003	1,003	760	243
Professional & Tech Services	17,372	17,696	15,695	2,001
Purchased Services	23,136	24,136	20,073	4,063
Supplies	1,539	1,539	1,539	0
Total Instruction	<u>46,269</u>	<u>47,593</u>	<u>41,158</u>	<u>6,435</u>
Total Expenditures	<u>46,269</u>	<u>47,593</u>	<u>41,158</u>	<u>6,435</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,102)	(7,426)	(865)	6,561
Cash Balance Beginning of Year	<u>12,102</u>	<u>12,102</u>	<u>12,102</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 4,676</u>	<u>\$ 11,237</u>	<u>\$ 6,561</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (865)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (865)	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 6,851	\$ 6,851	\$ 4,946	\$ (1,905)
Total Revenues	<u>6,851</u>	<u>6,851</u>	<u>4,946</u>	<u>(1,905)</u>
Expenditures				
Instruction				
Personnel Services	4,442	4,442	4,442	0
Employee Benefits	998	900	860	40
Purchased Services	0	0	0	0
Supplies	0	98	55	43
Total Instruction	<u>5,440</u>	<u>5,440</u>	<u>5,357</u>	<u>83</u>
Total Expenditures	<u>5,440</u>	<u>5,440</u>	<u>5,357</u>	<u>83</u>
Excess (Deficiency) of Revenues Over Expenditures	1,411	1,411	(411)	(1,822)
Cash Balance Beginning of Year	<u>(1,411)</u>	<u>(1,411)</u>	<u>(1,411)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,822)</u>	<u>\$ (1,822)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (411)	
Net Change in Due from Grantor			411	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 461	\$ 1,106	\$ 1,106	\$ 0
Total Revenues	<u>461</u>	<u>1,106</u>	<u>1,106</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	645	645	0
Total Instruction	<u>0</u>	<u>645</u>	<u>645</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>645</u>	<u>645</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	461	461	461	0
Cash Balance Beginning of Year	<u>(461)</u>	<u>(461)</u>	<u>(461)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 461	
Net Change in Due from Grantor			<u>(461)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-E2T2-C-24149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 22,234	\$ 50,234	\$ 31,826	\$ (18,408)
Total Revenues	<u>22,234</u>	<u>50,234</u>	<u>31,826</u>	<u>(18,408)</u>
Expenditures				
Support Services-Instruction				
Professional & Tech Services	0	5,493	5,493	0
Purchased Services	0	8,000	59	7,941
Supplies	0	153	152	1
Supply Assets	0	14,354	3,888	10,466
Total Support Services-Instruction	<u>0</u>	<u>28,000</u>	<u>9,592</u>	<u>18,408</u>
Total Expenditures	<u>0</u>	<u>28,000</u>	<u>9,592</u>	<u>18,408</u>
Excess (Deficiency) of Revenues Over Expenditures	22,234	22,234	22,234	0
Cash Balance Beginning of Year	<u>(22,234)</u>	<u>(22,234)</u>	<u>(22,234)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,234	
Net Change in Due from Grantor			(22,319)	
Net Change in Accounts Payable			85	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TEACHER TRAINING & RECRUITING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 37,958	\$ 38,280	\$ 29,664	\$ (8,616)
Total Revenues	<u>37,958</u>	<u>38,280</u>	<u>29,664</u>	<u>(8,616)</u>
Expenditures				
Instruction				
Professional & Tech Services	24,324	1,211	1,002	209
Total Instruction	<u>24,324</u>	<u>1,211</u>	<u>1,002</u>	<u>209</u>
Support Services-Students				
Personnel Services	0	19,703	19,182	521
Employee Benefits	0	3,732	3,730	2
Total Support Services-Students	<u>0</u>	<u>23,435</u>	<u>22,912</u>	<u>523</u>
Total Expenditures	<u>24,324</u>	<u>24,646</u>	<u>23,914</u>	<u>732</u>
Excess (Deficiency) of Revenues Over Expenditures	13,634	13,634	5,750	(7,884)
Cash Balance Beginning of Year	<u>(13,634)</u>	<u>(13,634)</u>	<u>(13,634)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,884)</u>	<u>\$ (7,884)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,750	
Net Change in Due from Grantor			(5,814)	
Net Change in Accounts Payable			64	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-DRUG FREE SCHOOL & COMMUNITY-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 92	\$ 92	\$ 92	\$ 0
Total Revenues	<u>92</u>	<u>92</u>	<u>92</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	92	92	92	0
Cash Balance Beginning of Year	<u>(92)</u>	<u>(92)</u>	<u>(92)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 92	
Net Change in Due from Grantor			<u>(92)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE III IMMIGRANT GRANT-24163
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>711</u>	<u>711</u>	<u>711</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 711</u>	<u>\$ 711</u>	<u>\$ 711</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I RECOVERY ACT-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 35,454	\$ 28,322	\$ 27,664	\$ (658)
Total Revenues	<u>35,454</u>	<u>28,322</u>	<u>27,664</u>	<u>(658)</u>
Expenditures				
Instruction				
Professional & Tech Services	5,000	13,738	13,738	0
Supplies	13,000	9,130	9,130	0
Supply Assets	12,000	0	0	0
Total Instruction	<u>30,000</u>	<u>22,868</u>	<u>22,868</u>	<u>0</u>
Total Expenditures	<u>30,000</u>	<u>22,868</u>	<u>22,868</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	5,454	5,454	4,796	(658)
Cash Balance Beginning of Year	<u>(5,454)</u>	<u>(5,454)</u>	<u>(5,454)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (658)</u>	<u>\$ (658)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,796	
Net Change in Due From Grantor			(9,218)	
Net Change in Accounts Payable			4,422	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,279	\$ 3,908	\$ 3,846	\$ (62)
Total Revenues	<u>3,279</u>	<u>3,908</u>	<u>3,846</u>	<u>(62)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-Instruction				
Other Purchased Services	0	62	62	0
Supplies	0	567	567	0
Total Support Services-Instruction	<u>0</u>	<u>629</u>	<u>629</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>629</u>	<u>629</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,279	3,279	3,217	(62)
Cash Balance Beginning of Year	<u>(3,279)</u>	<u>(3,279)</u>	<u>(3,279)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(62)</u>	\$ <u>(62)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,217	
Net Change in Due from Grantor			<u>(3,217)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL RECOVERY ACT-24209
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 500	\$ 500	\$ 264	\$ (236)
Total Revenues	<u>500</u>	<u>500</u>	<u>264</u>	<u>(236)</u>
Expenditures				
Instruction				
Supplies	500	187	187	0
Total Instruction	<u>500</u>	<u>187</u>	<u>187</u>	<u>0</u>
Total Expenditures	<u>500</u>	<u>187</u>	<u>187</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	313	77	(236)
Cash Balance Beginning of Year	<u>(128)</u>	<u>(128)</u>	<u>(128)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(128)</u>	\$ <u>185</u>	\$ <u>(51)</u>	\$ <u>(236)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 77	
Net Change in Due from Grantor			<u>(77)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-EDUCATION HOMELESS RECOVERY ACT-24213
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 9,135	\$ 9,135	\$ 7,694	\$ (1,441)
Total Revenues	<u>9,135</u>	<u>9,135</u>	<u>7,694</u>	<u>(1,441)</u>
Expenditures				
Instruction				
Personnel Services	0	1,207	1,207	0
Employee Benefits	0	234	234	0
Supplies	8,000	6,559	6,559	0
Total Instruction	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,135	1,135	(306)	(1,441)
Cash Balance Beginning of Year	<u>(1,135)</u>	<u>(1,135)</u>	<u>(1,135)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,441)</u>	<u>\$ (1,441)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (306)	
Net Change in Due from Grantor			<u>306</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SCHOOL BREAKFAST-24290
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 10,800	\$ 10,800	\$ 0
Total Revenues	<u>0</u>	<u>10,800</u>	<u>10,800</u>	<u>0</u>
Expenditures				
Food Service				
Supplies	0	10,800	10,800	0
Total Food Service	<u>0</u>	<u>10,800</u>	<u>10,800</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>10,800</u>	<u>10,800</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 15,000	\$ 15,000	\$ 853	\$ 14,147
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>853</u>	<u>14,147</u>
Expenditures				
Instruction				
Supplies	15,000	15,000	853	14,147
Total Instruction	<u>15,000</u>	<u>15,000</u>	<u>853</u>	<u>14,147</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>853</u>	<u>14,147</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE FISCAL STABILIZATION PROGRAM FUND-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 101,763	\$ 101,895	\$ 101,894	\$ (1)
Total Revenues	<u>101,763</u>	<u>101,895</u>	<u>101,894</u>	<u>(1)</u>
Expenditures				
Instruction				
Purchased Services	0	1,697	1,697	0
Supplies	<u>22,981</u>	<u>8,694</u>	<u>8,693</u>	<u>1</u>
Total Instruction	<u>22,981</u>	<u>10,391</u>	<u>10,390</u>	<u>1</u>
Support Services-Students				
Professional & Tech Services	0	18,979	0	18,979
Supplies	<u>0</u>	<u>0</u>	<u>18,979</u>	<u>(18,979)</u>
Total Support Services-Students	<u>0</u>	<u>18,979</u>	<u>18,979</u>	<u>0</u>
Support Services-Instruction				
Professional & Tech Services	0	1,637	1,637	0
Total Support Services-Instruction	<u>0</u>	<u>1,637</u>	<u>1,637</u>	<u>0</u>
Operations & Maintenance of Plant				
Purchased Services	0	0	0	0
Supplies	<u>10,000</u>	<u>2,106</u>	<u>2,106</u>	<u>0</u>
Total Operations & Maintenance of Plant	<u>10,000</u>	<u>2,106</u>	<u>2,106</u>	<u>0</u>
Total Expenditures	<u>32,981</u>	<u>33,113</u>	<u>33,112</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	68,782	68,782	68,782	0
Cash Balance Beginning of Year	<u>(68,782)</u>	<u>(68,782)</u>	<u>(68,782)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 68,782	
Net Change in Due from Grantor			<u>(68,782)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-DUEL CREDIT-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 3,228	\$ 3,228	\$ 0
Total Revenues	<u>0</u>	<u>3,228</u>	<u>3,228</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	3,228	3,228	0
Total Instruction	<u>0</u>	<u>3,228</u>	<u>3,228</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,228</u>	<u>3,228</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27105
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,283	\$ 5,597	\$ 3,750	\$ (1,847)
Total Revenues	<u>2,283</u>	<u>5,597</u>	<u>3,750</u>	<u>(1,847)</u>
Expenditures				
Support Services-Instruction				
Supplies	<u>0</u>	<u>3,314</u>	<u>1,467</u>	<u>1,847</u>
Total Support Services-Instruction	<u>0</u>	<u>3,314</u>	<u>1,467</u>	<u>1,847</u>
Total Expenditures	<u>0</u>	<u>3,314</u>	<u>1,467</u>	<u>1,847</u>
Excess (Deficiency) of Revenues Over Expenditures	2,283	2,283	2,283	0
Cash Balance Beginning of Year	<u>(2,283)</u>	<u>(2,283)</u>	<u>(2,283)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,283	
Net Change in Due from Grantor			<u>(2,283)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECH FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	268	268	268	0
Total Instruction	<u>268</u>	<u>268</u>	<u>268</u>	<u>0</u>
Total Expenditures	<u>268</u>	<u>268</u>	<u>268</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(268)	(268)	(268)	0
Cash Balance Beginning of Year	<u>268</u>	<u>268</u>	<u>268</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (268)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (268)</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 73,696	\$ 73,696	\$ 0
Total Revenues	<u>0</u>	<u>73,696</u>	<u>73,696</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	10,000	10,000	0
Total Instruction	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Support Services-Students				
Professional & Tech Services	0	51,168	51,168	0
Total Support Services-Students	<u>0</u>	<u>51,168</u>	<u>51,168</u>	<u>0</u>
Support Services-General Administration				
Purchased Services	0	12,528	12,528	0
Total Support Services-General Administration	<u>0</u>	<u>12,528</u>	<u>12,528</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>73,696</u>	<u>73,696</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FLORIDA POWER & LIGHT-29129
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Source	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Outlay				
Purchased Services				0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	0	(518,382)	(518,382)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(518,382)</u>	<u>(518,382)</u>	<u>0</u>
Net Changes in Fund Balance	0	(518,382)	(518,382)	0
Cash Balance Beginning of Year	<u>518,382</u>	<u>518,382</u>	<u>518,382</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 518,382</u>	<u>\$ 518,382</u>	<u>\$ 518,382</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-SCHOOL BASED HEALTH-29130
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 60,000	\$ 60,000	\$ 55,000	\$ (5,000)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>55,000</u>	<u>(5,000)</u>
Expenditures				
Support Services-Students				
Purchased Services	<u>55,000</u>	<u>55,000</u>	<u>38,889</u>	<u>16,111</u>
Total Support Services-Students	<u>55,000</u>	<u>55,000</u>	<u>38,889</u>	<u>16,111</u>
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>38,889</u>	<u>16,111</u>
Excess (Deficiency) of Revenues Over Expenditures	5,000	5,000	16,111	11,111
Cash Balance Beginning of Year	<u>70,226</u>	<u>70,226</u>	<u>70,226</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 75,226</u>	<u>\$ 75,226</u>	<u>\$ 86,337</u>	<u>\$ 11,111</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>16,111</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>16,111</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NEW MEXICO MICROSOFT PARTNERS IN LEARNING-29132
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Purchased Services	0	1,027	1,027	0
Supplies	30,000	43,655	15,141	28,514
Total Support Services-Instruction	<u>30,000</u>	<u>44,682</u>	<u>16,168</u>	<u>28,514</u>
Total Expenditures	<u>30,000</u>	<u>44,682</u>	<u>16,168</u>	<u>28,514</u>
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(44,682)	(16,168)	28,514
Cash Balance Beginning of Year	<u>44,682</u>	<u>44,682</u>	<u>44,682</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14,682</u>	<u>\$ 0</u>	<u>\$ 28,514</u>	<u>\$ 28,514</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,168)	
Net Change in Accounts Payable			(80)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (16,248)</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ENERGY EFFICIENCY MEASURERS-28187
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 500,000	\$ 500,000	\$ 475,000	\$ (25,000)
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>475,000</u>	<u>(25,000)</u>
Expenditures				
Capital Outlay				
Construction Services	500,000	500,000	475,000	25,000
Total Capital Outlay	<u>500,000</u>	<u>500,000</u>	<u>475,000</u>	<u>25,000</u>
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>475,000</u>	<u>25,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 71,759	\$ 71,759	\$ 50,305	\$ (21,454)
Total Revenues	<u>71,759</u>	<u>71,759</u>	<u>50,305</u>	<u>(21,454)</u>
Expenditures				
Capital Outlay				
Construction Services	25,947	25,947	4,493	21,454
Total Capital Outlay	<u>25,947</u>	<u>25,947</u>	<u>4,493</u>	<u>21,454</u>
Total Expenditures	<u>25,947</u>	<u>25,947</u>	<u>4,493</u>	<u>21,454</u>
Excess (Deficiency) of Revenues Over Expenditures	45,812	45,812	45,812	0
Cash Balance Beginning of Year	<u>(45,812)</u>	<u>(45,812)</u>	<u>(45,812)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 45,812	
Net Change in Due from Grantor			<u>(45,812)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 AGENCY FUNDS
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2011

	Beginning Balance <u>06/30/10</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>06/30/11</u>
ASSETS				
Activity Trust Fund	\$ 126,591	\$ 176,225	\$ 157,504	\$ 145,312
TOTAL Assets	<u>\$ 126,591</u>	<u>\$ 176,225</u>	<u>\$ 157,504</u>	<u>\$ 145,312</u>
LIABILITIES				
Due to Student Groups	\$ 126,591	\$ 176,225	\$ 157,504	\$ 145,312
TOTAL Liabilities	<u>\$ 126,591</u>	<u>\$ 176,225</u>	<u>\$ 157,504</u>	<u>\$ 145,312</u>

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2011

	Beginning Balance 06/30/10	Additions	Deductions	Ending Balance 06/30/11
ASSETS				
0 Draw	\$ 50	\$ 0	\$ 0	\$ 50
11 Admin Principal	285	2,359	1,748	896
12 Photography Club	226	0	0	226
13 All School	1,783	20,618	9,477	12,924
14 EPAC	2,598	0	2,598	0
15 Library	505	60	269	296
16 Student Council	922	528	913	537
17 Accelerated Reader	511	32	542	1
18 Mesa Elementary	0	430	430	0
19 Close Up	133	0	0	133
20 National Honor Society	2,813	863	81	3,595
22 Home Economic Department	4	0	0	4
23 General Technology	0	198	108	90
24 Zune	1,050	100	827	323
31 Athletic Boosters	9,364	41,523	37,124	13,763
32 Vixen Volleyball	7,367	3,473	5,438	5,402
33 Fox Basketball	1,023	625	680	968
34 Vixen Basketball	1,613	7,009	3,705	4,917
36 Fox Football	1,551	7,011	8,157	405
35 Harley Raffle	5,271	0	0	5,271
41 BPA	1,104	34,718	35,822	0
42 Greenhouse	43,486	8,470	96	51,860
43 Drug Free	1,833	0	1,157	676
44 FFA	4,839	13,893	16,748	1,984
46 Science Club	6,914	873	883	6,904
48 Drama	760	1,658	1,635	783
49 McMillian Memorial Fund	786	0	48	738
50 West Greenhouse	1,796	0	0	1,796
51 Cheerleaders	2,801	3,847	5,388	1,260
61 Band	33	4,426	1,415	3,044
70 Student Achievement	17,489	320	2,009	15,800
75 Class of 2012	1,426	7,189	7,445	1,170
76 Class of 2013	180	1,713	652	1,241
77 Class of 2014	473	145	330	288
78 Class of 2015	60	185	0	245
79 Class of 2010	516	0	516	0
80 Class of 2011	348	200	548	0
81 Elementary	4,664	3,069	2,270	5,463
91 Annual	14	8,048	7,945	117
Memorial Funds	0	2,642	500	2,142
Total Assets	\$ 126,591	\$ 176,225	\$ 157,504	\$ 145,312
LIABILITIES				
Deposits Held for Others	\$ 126,591	\$ 176,225	\$ 157,504	\$ 145,312
Total Liabilities	\$ 126,591	\$ 176,225	\$ 157,504	\$ 145,312

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

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2011

		Beginning Cash 6/30/10	Revenues	Expenditures	Transfers	Ending Cash 6/30/11
Operational	11000	\$ 258,100	\$ 3,413,138	\$ 3,391,455	\$ 0	\$ 279,783
Transportation	13000	0	426,645	415,500	0	11,145
Instructional Materials	14000	7,037	11,683	18,713	0	7
Food Services	21000	66,372	120,780	118,780	0	68,372
Athletics	22000	12,102	40,293	41,157	0	11,238
Activities	23000	126,591	176,225	157,504	0	145,312
Federal Flowthrough	24000	(82,572)	306,646	308,823	0	(84,749)
Federal Direct	25000	(68,782)	165,421	123,178	0	(26,539)
State Flowthrough	27000	(2,015)	80,674	78,659	0	0
State Direct	28000	0	459,000	459,000	0	0
Local or State	29000	615,989	663,547	889,129	0	390,407
Bond Building	31100	1,407,651	14,109	838,215	0	583,545
Special Capital Outlay-State	31400	(45,812)	50,306	4,494	0	0
Senate Bill Nine	31700	228,027	131,384	111,536	0	247,875
Debt Service	41000	293,185	321,985	299,967	0	315,203
Total		\$ <u>2,815,873</u>	\$ <u>6,381,836</u>	\$ <u>7,256,110</u>	\$ <u>0</u>	\$ <u>1,941,599</u>

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

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
Child Nutrition Cluster			
National School Lunch Program	10.555	21000	\$ 54,617
ARRA-National School Lunch Program	10.555	21000	10,800
School Breakfast Program	10.553	21000	29,868
Special Milk Program for Children	10.556	21000	379
Total Child Nutrition Cluster			<u>95,664</u>
Pass-through State Department of Human Services:			
Commodity Supplemental Food Program	10.565	21000	(1) 6,741
Total U. S. Department of Agriculture			<u>102,405</u>
<u>U. S. Department of Energy</u>			
Pass-through State Department of Energy, Minerals, ARRA-State Energy Program			
	81.041	28187	475,000
Total U. S. Department of Agriculture			<u>475,000</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA, Part B	84.027		221,590
ARRA-IDEA, Part B, Recovery Act	84.391	24206	629
IDEA Preschool	84.173	24109	5,357
ARRA-IDEA Preschool Recovery Act	84.392	24209	187
Total Special Education Cluster			<u>227,763</u>
Title I Cluster			
Title I	84.010	24101	79,758
ARRA-Title I Recovery Act	84.389	24201	18,446
Total Title I Cluster			<u>98,204</u>
Educational Technology State Grant	84.318	24149	9,507
Improving Teacher Quality State Grant	84.367	24154	23,850
Homeless Education	84.387	24213	8,000
ARRA-State Fiscal Stabilization Program Fund	84.394	25250	33,112
Education Jobs Fund	84.410	25233	89,214
Direct Program:			
Rural and Low Income	84.358	25233	853
Total U. S. Department of Education			<u>490,503</u>
Total Federal Assistance			\$ <u><u>1,067,908</u></u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the FORT SUMNER MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of FORT SUMNER MUNICIPAL SCHOOLS , (District), as of and for the year ended June 30, 2010, and have issued our report thereon dated September 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing 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 questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 11-1, 11-2, 11-3, 11-4 and 11-5. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the REC'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* and which are described in the accompanying schedule of findings and questioned costs; 11-1, 11-2, 11-3, 11-4 and 11-5.

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

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

De'Ann Willoughby, CPA PC

September 7, 2011

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the FORT SUMNER MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

Compliance

We have audited FORT SUMNER MUNICIPAL SCHOOLS (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

 CPA PC

September 7, 2011

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- * Significant deficiencies yes no
- * Significant deficiencies(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- * Significant deficiencies yes no
- * Significant deficiencies(s) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
81.041	ARRA-State Energy Program
84.010	Title I
84.389	ARRA-Title I Recovery Act

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

Auditee qualified as low risk auditee yes no

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

Prior Year Audit Findings		<u>Status</u>
10-1	Reporting of Insurance Premiums	Resolved
10-2	Reporting of RHCA Contributions	Resolved
10-3	Late Audit Report	Resolved

Current Year Audit Findings

11-1 Background Checks-Compliance and Internal Control-Significant Deficiency

Condition

In a test of 19 employee files, we noted 1 instance of a missing background check.

Criteria

NMAC 6.60.8.8 requires background checks for all employees hired after July 1, 1998.

Cause

The District was unaware that the background check was missing.

Effect

The District is not in compliance with NMAC 6.60.8.8 and the results could be the hiring of an employee that does not meet the required standards.

Recommendation

We recommend the District review all employee files for required background checks.

Response

We will review all personnel files for background checks.

11-2 Deposited Federal Revenue into the Wrong Fund-Compliance and Internal Control-Significant Deficiency

Condition

The District received \$16,000 funding in the Energy Efficiently Grant that was deposited into the wrong fund.

Criteria

The grant agreement requires all revenue and expenditures are to be accounted for in a separate fund.

Effect

The federal revenue was understated and it appeared \$16,000 was owed to the District when in fact it had been collected.

Cause

The \$16,000 was paid to the District for the efforts of preparing reports for the energy efficiency of the HVAC that was paid for with federal funds. The money was deposited into an activity account to be used by all students.

Recommendation

All federal revenues should be accounted for in the correct fund. A check should have been written from the fund for monitoring services.

Response

We will receive the final payment for monitoring and reporting in the next fiscal year. We will account for the revenue in the correct fund and issue a check as should have been done.

11-3 Certificate of Deposit was not included in the general ledger-Compliance and Internal Control-Significant Deficiency

Condition

We found a certificated of deposit for a scholarship that has not been included in the general ledger.

Criteria

NMAC 6.20.2.14 requires all cash of the District be accounted for in the general ledger.

Effect

The cash balance was understated by \$2,141.54.

Cause

There was some confusion as to whether the CD belonged to the District. The District's federal identification is on the CD and it was determined the CD belonged to the District.

Recommendation

All cash of the District should be accounted for in the general ledger.

Response

We have included the certificate of deposit in our general ledger.

11-4 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the Instructional Materials of \$(270).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Cause

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budgeted expenditures.

Effect

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Recommendation

Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

Response

The District will review the estimated cash balances and issue a BAR if necessary.

11-5 Capital Assets-Compliance and Internal Control-Significant Deficiency

Condition

A complete capital asset listing including current year additions and deletions and a depreciation schedule was not available.

Criteria

1 NMAC 1.2.1.8 and 12-6-10 NMSA 1978 requires a complete listing of capital assets including current year additions and deletions be maintained.

Effect

Depreciation was estimated based on the prior year and may be understated.

Cause

The software used for the inventory list and depreciation schedule crashed sometime in the fall of 2010. A hard copy of the 09-10 depreciation schedule could not be located to update the current capital assets and calculate the depreciation. A change personnel caused the inability to locate the prior year depreciation schedule.

Recommendation

The prior year depreciation schedule should be located and recreated using another software.

Response

We will have a depreciation schedule for the next fiscal year. We had a change in personnel and were unable to locate the prior year depreciation schedule. We will locate it and update it.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on September 7, 2011 with Patricia Miller-Superintendent, Cody West-Vice President, Scot Stinnett-Secretary, Lydia Sursa-Audit Committee Member, Ron Gauna-Audit Committee, Betty Mitchell-Business Manager and De'Aun Willoughby, CPA.