



STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2012

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Clovis, New Mexico



STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
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FORT SUMNER MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
Official Roster
June 30, 2012

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Patricia Miller	Superintendent
Betty Mitchell	Business Manager

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 fund and major special revenue funds of Fort Sumner Municipal Schools, (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital projects fund, major debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the 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, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in 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, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects fund, major debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012 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.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules listed as "other supplemental information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards

De'Aun Willoughby CPA PC

November 14, 2012

FINANCIAL SECTION

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Government-Wide Statement of Net Assets
 June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,504,013
Taxes Receivable	25,378
Due From Grantor	142,644
Inventory	1,779
Total Current Assets	<u>1,673,814</u>
Noncurrent Assets	
Capital Assets	22,641,667
Less: Accumulated Depreciation	<u>(3,898,450)</u>
Total Noncurrent Assets	<u>18,743,217</u>
Total Assets	<u>20,417,031</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	39,903
Accrued Interest	18,040
Deferred Revenue	5,604
Current Portion of Long-Term Debt	275,000
Total Current Liabilities	<u>338,547</u>
Noncurrent Liabilities	
Compensated Absences	8,412
Bonds and Notes, Net	1,752,352
Total Noncurrent Liabilities	<u>1,760,764</u>
Total Liabilities	<u>2,099,311</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	16,715,865
Restricted for Capital Projects	531,495
Restricted for Debt Service	335,414
Unrestricted	734,946
Total Net Assets	<u>\$ 18,317,720</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, 2012

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	\$ 3,178,963	\$ 35,956	\$ 296,302	\$ 0	\$ (2,846,705)
Support Service-Students	363,012	0	108,698	0	(254,314)
Support Services-Instruction	50,585	0	11,820	0	(38,765)
Support Services-General Administration	142,177	0	0	0	(142,177)
Support Services-School Administration	189,011	0	407	0	(188,604)
Central Services	116,484	0	0	0	(116,484)
Operation & Maintenance of Plant	526,503	0	0	0	(526,503)
Student Transportation	418,623	0	413,277	0	(5,346)
Other	2,462	0	0	0	(2,462)
Food Services	171,174	39,386	88,848	0	(42,940)
Interest on Long-Term Obligations	65,738	0	0	0	(65,738)
Total Governmental Activities	<u>\$ 5,224,732</u>	<u>\$ 75,342</u>	<u>\$ 919,352</u>	<u>\$ 0</u>	<u>(4,230,038)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					26,732
Property Taxes, Levied for Capital Projects					107,926
Property Taxes, Levied for Debt Service					336,247
Federal and State aid not restricted to specific purpose					
General					3,431,460
Capital					21,453
Interest and investment earnings					4,928
Miscellaneous					6,551
Subtotal, General Revenues					<u>3,935,297</u>
Change in Net Assets					(294,741)
Net Assets - beginning					<u>18,612,461</u>
Net Assets - ending					<u>\$ 18,317,720</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, 2012

	General Fund		
	Operational 11000	Transportation 13000	Instructional Material 14000
ASSETS			
Cash and Cash Equivalents	\$ 91,723	\$ 5,604	\$ 7,075
Receivables			
Taxes	1,719	0	0
Due From Grantor	0	0	0
Interfund Balance	124,760	0	0
Inventory	0	0	0
Total Assets	<u>\$ 218,202</u>	<u>\$ 5,604</u>	<u>\$ 7,075</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	17,826	0	0
Deferred Revenue	1,485	0	0
Total Liabilities	<u>19,311</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-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	198,891	5,604	7,075
Total Fund Balances	<u>198,891</u>	<u>5,604</u>	<u>7,075</u>
Total Liabilities and Fund Balances	<u>\$ 218,202</u>	<u>\$ 5,604</u>	<u>\$ 7,075</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, 2012

	Special Revenue		
	Title I 24101	IDEA B Entitlement 24106	IDEA B Risk Pool 24120
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	55,935	22,832	51,546
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 55,935</u>	<u>\$ 22,832</u>	<u>\$ 51,546</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 38,131	\$ 22,832	\$ 51,524
Accounts Payable	17,804	0	22
Deferred Revenue	0	0	0
Total Liabilities	<u>55,935</u>	<u>22,832</u>	<u>51,546</u>
Fund Balances			
Nonspendable-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>\$ 55,935</u>	<u>\$ 22,832</u>	<u>\$ 51,546</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, 2012

	Special		
	Revenue	Capital Projects	
	Wind Farm 29134	Bond Building 31100	Senate Bill Nine 31700
ASSETS			
Cash and Cash Equivalents	\$ 365,721	\$ 279,824	\$ 248,364
Receivables			
Taxes	0	0	5,530
Due From Grantor	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 365,721</u>	<u>\$ 279,824</u>	<u>\$ 253,894</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	2,349
Deferred Revenue	0	0	4,591
Total Liabilities	<u>0</u>	<u>0</u>	<u>6,940</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	365,721	0	0
Capital Improvements	0	279,824	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	246,954
Unassigned-General	0	0	0
Total Fund Balances	<u>365,721</u>	<u>279,824</u>	<u>246,954</u>
Total Liabilities and Fund Balances	<u>\$ 365,721</u>	<u>\$ 279,824</u>	<u>\$ 253,894</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, 2012

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 332,480	\$ 173,222	\$ 1,504,013
Receivables			
Taxes	18,129	0	25,378
Due From Grantor	0	12,331	142,644
Interfund Balance	0	0	124,760
Inventory	0	1,779	1,779
Total Assets	<u>\$ 350,609</u>	<u>\$ 187,332</u>	<u>\$ 1,798,574</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 12,273	\$ 124,760
Accounts Payable	0	1,902	39,903
Deferred Revenue	15,195	5,604	26,875
Total Liabilities	<u>15,195</u>	<u>19,779</u>	<u>191,538</u>
 Fund Balances			
Nonspendable-Inventory	0	1,779	1,779
Restricted for, reported in			
Special Revenue Funds	0	165,774	531,495
Capital Improvements	0	0	279,824
Debt Service	335,414	0	335,414
Assigned-Capital Projects	0	0	246,954
Unassigned-General	0	0	211,570
Total Fund Balances	<u>335,414</u>	<u>167,553</u>	<u>1,607,036</u>
 Total Liabilities and Fund Balances	 <u>\$ 350,609</u>	 <u>\$ 187,332</u>	 <u>\$ 1,798,574</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, 2012

Total Fund Balance - Governmental Funds \$ 1,607,036

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. 21,272

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	\$ 22,641,667	
Accumulated depreciation is	<u>(3,898,450)</u>	18,743,217

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	(2,080,000)	
Issue Costs	79,744	
Accumulated Amortization	(27,096)	
Accrued Interest	(18,040)	
Compensated Absences	<u>(8,413)</u>	<u>(2,053,805)</u>

Total Net Assets - Governmental Activities \$ 18,317,720

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, 2012

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Material 14000
Revenues			
Property Taxes	\$ 26,715	\$ 0	\$ 0
Interest Income	2,341	0	0
Fees	214	0	0
State and Local Grants	3,341,295	413,277	13,227
Federal Grants	0	0	0
Miscellaneous	6,551	0	0
Total Revenues	<u>3,377,116</u>	<u>413,277</u>	<u>13,227</u>
Expenditures			
Current			
Instruction	2,180,427	0	6,159
Support Services-Students	237,768	0	0
Support Services-Instruction	38,765	0	0
Support Services-General Administration	137,315	0	0
Support Services-School Administration	188,604	0	0
Central Services	117,918	0	0
Operation & Maintenance of Plant	493,814	0	0
Student Transportation	0	418,770	0
Other	2,462	0	0
Food Service	27,849	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,424,922</u>	<u>418,770</u>	<u>6,159</u>
Excess (Deficiency) of Revenues Over Expenditures	(47,806)	(5,493)	7,068
Fund Balances at Beginning of Year	<u>246,697</u>	<u>11,097</u>	<u>7</u>
Fund Balance at End of Year	<u>\$ 198,891</u>	<u>\$ 5,604</u>	<u>\$ 7,075</u>

The notes to the financial statements are an

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, 2012

	Special Revenue		
	Title I 24101	IDEA B Entitlement 24106	IDEA B Risk Pool 24120
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	83,094	87,231	82,367
Miscellaneous	0	0	0
Total Revenues	<u>83,094</u>	<u>87,231</u>	<u>82,367</u>
Expenditures			
Current			
Instruction	83,094	57,219	63,517
Support Services-Students	0	18,192	18,850
Support Services-Instruction	0	11,820	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	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>83,094</u>	<u>87,231</u>	<u>82,367</u>
Excess (Deficiency) of Revenues			
Over Expenditures	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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an

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, 2012

	Special Revenue		
	Capital Projects		
	Wind Farm 29134	Bond Building 31100	Senate Bill Nine 31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 107,837
Interest Income	0	1,329	443
Fees	0	0	0
State and Local Grants	90,165	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>90,165</u>	<u>1,329</u>	<u>108,280</u>
Expenditures			
Current			
Instruction	0	7,524	28,608
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	1,049
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	30,971
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	0
Capital Outlay	0	297,526	42,533
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>305,050</u>	<u>103,161</u>
Excess (Deficiency) of Revenues Over Expenditures	90,165	(303,721)	5,119
Fund Balances at Beginning of Year	<u>275,556</u>	<u>583,545</u>	<u>241,835</u>
Fund Balance at End of Year	<u>\$ 365,721</u>	<u>\$ 279,824</u>	<u>\$ 246,954</u>

The notes to the financial statements are an

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, 2012

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 335,935	\$ 0	\$ 470,487
Interest Income	443	372	4,928
Fees	0	75,128	75,342
State and Local Grants	0	43,464	3,901,428
Federal Grants	0	218,145	470,837
Miscellaneous	0	0	6,551
Total Revenues	<u>336,378</u>	<u>337,109</u>	<u>4,929,573</u>
Expenditures			
Current			
Instruction	0	114,451	2,540,999
Support Services-Students	0	87,592	362,402
Support Services-Instruction	0	0	50,585
Support Services-General Administration	3,153	0	141,517
Support Services-School Administration	0	407	189,011
Central Services	0	0	117,918
Operation & Maintenance of Plant	0	0	524,785
Student Transportation	0	0	418,770
Other	0	0	2,462
Food Service	0	142,106	169,955
Capital Outlay	0	21,453	361,512
Debt Service			
Principal	255,000	0	255,000
Interest	60,594	0	60,594
Total Expenditures	<u>318,747</u>	<u>366,009</u>	<u>5,195,510</u>
Excess (Deficiency) of Revenues Over Expenditures	17,631	(28,900)	(265,937)
Fund Balances at Beginning of Year	<u>317,783</u>	<u>196,453</u>	<u>1,872,973</u>
Fund Balance at End of Year	<u>\$ 335,414</u>	<u>\$ 167,553</u>	<u>\$ 1,607,036</u>

The notes to the financial statements are an

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, 2012

Excess (Deficiency) of Revenues Over Expenditures \$ (265,937)

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, 2011	(20,853)	
Property Taxes, June 30, 2012	21,271	418

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	\$ (641,320)	
Capital Outlays	361,512	(279,808)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 255,000

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

Amortization of Issue Cost this year		(7,973)
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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, 2011	20,870	
Accrued Interest, June 30, 2012	(18,040)	2,830

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, 2011	9,142	
Compensated Absences, June 30, 2012	(8,413)	729

Changes in Net Assets of Governmental Activities		\$ <u>(294,741)</u>
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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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 25,853	25,853	\$ 26,840	\$ 987
Interest Income	10,000	10,000	2,341	(7,659)
Fees	0	0	213	213
State Grant	3,195,266	3,341,295	3,341,295	0
Miscellaneous	1	1	6,551	6,550
Total Revenues	3,231,120	3,377,149	3,377,240	91
Expenditures				
Instruction				
Personnel Services	1,512,221	1,480,921	1,476,048	4,873
Employee Benefits	481,001	496,233	494,733	1,500
Professional & Tech Services	13,700	16,975	15,018	1,957
Purchased Property Services	0	1,415	1,414	1
Other Purchased Services	45,915	78,742	77,171	1,571
Supplies	67,960	135,454	119,505	15,949
Total Instruction	2,120,797	2,209,740	2,183,889	25,851
Support Services-Students				
Personnel Services	139,363	141,183	132,445	8,738
Employee Benefits	51,410	48,805	46,378	2,427
Professional & Tech Services	57,300	56,771	50,297	6,474
Other Purchased Services	0	22	22	0
Supplies	0	9,220	9,096	124
Total Support Services-Students	248,073	256,001	238,238	17,763
Support Services-Instruction				
Personnel Services	24,920	25,017	25,017	0
Employee Benefits	12,142	11,805	11,568	237
Professional & Tech Services	200	655	653	2
Supplies	0	1,571	1,527	44
Total Support Services-Instruction	37,262	39,048	38,765	283
Support Services-General Administration				
Personnel Services	76,959	73,150	72,449	701
Employee Benefits	24,098	23,111	22,095	1,016
Professional & Tech Services	21,606	37,482	35,822	1,660
Other Purchased Services	6,792	6,227	3,419	2,808
Supplies	375	5,574	5,506	68
Total Support Services-General Administration	\$ 129,830	\$ 145,544	\$ 139,291	\$ 6,253

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 148,743	\$ 148,743	\$ 148,742	\$ 1
Employee Benefits	38,930	38,890	38,605	285
Professional & Tech Services	660	700	700	0
Total Support Services-School	<u>188,333</u>	<u>188,333</u>	<u>188,047</u>	<u>286</u>
Central Services				
Personnel Services	84,300	72,096	72,095	1
Employee Benefits	30,974	23,304	21,507	1,797
Professional & Tech Services	1,000	3,173	2,382	791
Purchased Property Services	0	1,697	1,003	694
Other Purchased Services	0	18,651	6,719	11,932
Supplies	7,339	17,490	13,262	4,228
Total Central Services	<u>123,613</u>	<u>136,411</u>	<u>116,968</u>	<u>19,443</u>
Operation & Maintenance of Plant				
Personnel Services	142,418	150,750	135,022	15,728
Employee Benefits	74,676	58,614	56,394	2,220
Professional & Tech Services	500	500	0	500
Purchased Property Services	181,000	173,582	168,091	5,491
Other Purchased Services	104,000	110,482	108,394	2,088
Supplies	11,536	39,508	37,131	2,377
Total Operation & Maintenance of Plant	<u>514,130</u>	<u>533,436</u>	<u>505,032</u>	<u>28,404</u>
Transportation				
Purchased Property Services	0	0	0	0
Supplies	0	0	0	0
Total Transportation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Support Services				
Professional & Tech Services	7,476	7,476	2,462	5,014
Total Other Support Services	<u>7,476</u>	<u>7,476</u>	<u>2,462</u>	<u>5,014</u>
Food Service				
Personnel Services	13,324	13,324	13,318	6
Employee Benefits	14,177	14,777	14,531	246
Total Food Service	<u>27,501</u>	<u>28,101</u>	<u>27,849</u>	<u>252</u>
Total Expenditures	<u>\$ 3,397,015</u>	<u>\$ 3,544,090</u>	<u>\$ 3,440,541</u>	<u>\$ 103,549</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (165,895)	\$ (166,941)	\$ (63,301)	103,640
Cash Balance Beginning of Year	<u>279,784</u>	<u>279,784</u>	<u>279,784</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 113,889</u>	<u>\$ 112,843</u>	<u>\$ 216,483</u>	<u>\$ 103,640</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (63,301)	
Net Change in Taxes Receivable			(108)	
Net Change in Accounts Payable			15,621	
Net Change in Deferred Revenue			(18)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (47,806)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 383,277	\$ 413,277	\$ 413,277	\$ 0
Total Revenues	<u>383,277</u>	<u>413,277</u>	<u>413,277</u>	<u>0</u>
Expenditures				
Transportation				
Personnel Services	59,136	66,689	66,688	1
Employee Benefits	27,535	23,328	23,325	3
Professional & Tech Services	0	348	347	1
Purchased Property Services	20,313	2,329	2,328	1
Other Purchased Services	274,108	310,409	310,408	1
Supplies	2,185	15,723	15,722	1
Total Transportation	<u>383,277</u>	<u>418,826</u>	<u>418,818</u>	<u>2</u>
Total Expenditures	<u>383,277</u>	<u>418,826</u>	<u>418,818</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5,549)	(5,541)	8
Cash Balance Beginning of Year	<u>11,145</u>	<u>11,145</u>	<u>11,145</u>	<u>0</u>
Cash Balance End of Year	\$ <u>11,145</u>	\$ <u>5,596</u>	\$ <u>5,604</u>	\$ <u>8</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,541)	
Net Change in Accounts Payable			48	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(5,493)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 13,227	\$ 13,227	\$ 13,227	\$ 0
Total Revenues	<u>13,227</u>	<u>13,227</u>	<u>13,227</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	11,218	13,234	6,159	7,075
Total Instruction	<u>11,218</u>	<u>13,234</u>	<u>6,159</u>	<u>7,075</u>
Total Expenditures	<u>11,218</u>	<u>13,234</u>	<u>6,159</u>	<u>7,075</u>
Excess (Deficiency) of Revenues Over Expenditures	2,009	(7)	7,068	7,075
Cash Balance Beginning of Year	<u>7</u>	<u>7</u>	<u>7</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,016</u>	\$ <u>0</u>	\$ <u>7,075</u>	\$ <u>7,075</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>7,068</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>7,068</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 99,178	\$ 127,905	\$ 48,089	\$ (79,816)
Total Revenues	<u>99,178</u>	<u>127,905</u>	<u>48,089</u>	<u>(79,816)</u>
Expenditures				
Instruction				
Personnel Services	56,892	45,786	42,547	3,239
Employee Benefits	17,856	17,856	14,769	3,087
Professional & Tech Services	1,000	1,000	771	229
Supplies	6,071	45,904	7,353	38,551
Total Instruction	<u>81,819</u>	<u>110,546</u>	<u>65,440</u>	<u>45,106</u>
Total Expenditures	<u>81,819</u>	<u>110,546</u>	<u>65,440</u>	<u>45,106</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,359</u>	<u>17,359</u>	<u>(17,351)</u>	<u>(34,710)</u>
Other Financing Sources (Uses)				
Transfers	0	0	(3,421)	(3,421)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,421)</u>	<u>(3,421)</u>
Net Change in Cash Balance	17,359	17,359	(20,772)	(38,131)
Cash Balance Beginning of Year	<u>(17,359)</u>	<u>(17,359)</u>	<u>(17,359)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (38,131)</u>	<u>\$ (38,131)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (20,772)	
Net Change in Due from Grantor			38,426	
Net Change in Deferred Revenue			(17,654)	
Net Change in Fund Balance			<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 ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 108,763	\$ 114,658	\$ 89,136	\$ (25,522)
Total Revenues	<u>108,763</u>	<u>114,658</u>	<u>89,136</u>	<u>(25,522)</u>
Expenditures				
Instruction				
Personnel Services	38,292	38,076	38,076	0
Employee Benefits	13,538	18,449	18,420	29
Supplies	678	3,149	749	2,400
Total Instruction	<u>52,508</u>	<u>59,674</u>	<u>57,245</u>	<u>2,429</u>
Support Services-Students				
Personnel Services	15,517	15,517	15,517	0
Employee Benefits	4,163	2,892	2,675	217
Total Support Services-Students	<u>19,680</u>	<u>18,409</u>	<u>18,192</u>	<u>217</u>
Support Services-Instruction				
Personnel Services	10,000	10,001	10,000	1
Employee Benefits	1,864	1,863	1,820	43
Total Support Services-Instruction	<u>11,864</u>	<u>11,864</u>	<u>11,820</u>	<u>44</u>
Total Expenditures	<u>84,052</u>	<u>89,947</u>	<u>87,257</u>	<u>2,690</u>
Excess (Deficiency) of Revenues Over Expenditures	24,711	24,711	1,879	(22,832)
Cash Balance Beginning of Year	<u>(24,711)</u>	<u>(24,711)</u>	<u>(24,711)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(22,832)</u>	\$ <u>(22,832)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,879	
Net Change in Due from Grantor			(1,905)	
Net Change in Accounts Payable			26	
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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 62,952	\$ 89,915	\$ 30,821	\$ (59,094)
Total Revenues	<u>62,952</u>	<u>89,915</u>	<u>30,821</u>	<u>(59,094)</u>
Expenditures				
Instruction				
Personnel Services	28,617	39,248	38,534	714
Employee Benefits	11,179	15,440	14,566	874
Professional & Tech Services	662	412	354	58
Other Purchased Services	4,000	4,775	4,574	201
Supplies	2,000	6,555	5,467	1,088
Total Instruction	<u>46,458</u>	<u>66,430</u>	<u>63,495</u>	<u>2,935</u>
Support Services-Students				
Personnel Services	8,782	16,248	16,177	71
Employee Benefits	7,712	7,237	2,673	4,564
Total Support Services-Students	<u>16,494</u>	<u>23,485</u>	<u>18,850</u>	<u>4,635</u>
Total Expenditures	<u>62,952</u>	<u>89,915</u>	<u>82,345</u>	<u>7,570</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(51,524)	(51,524)
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>\$ (51,524)</u>	<u>\$ (51,524)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (51,524)	
Net Change in Due from Grantor			51,546	
Net Change in Accounts Payables			(22)	
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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$ 90,165	\$ 90,165	\$ 90,165	\$ 0
Total Revenues	<u>90,165</u>	<u>90,165</u>	<u>90,165</u>	<u>0</u>
Expenditures				
Instruction				
Supply Assets	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	90,165	90,165	90,165	0
Cash Balance Beginning of Year	<u>275,556</u>	<u>275,556</u>	<u>275,556</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 365,721</u>	<u>\$ 365,721</u>	<u>\$ 365,721</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 90,165	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 90,165</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, 2012

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 180,372
Total Assets	<u>\$ 180,372</u>
Liabilities	
Deposits Held for Others	\$ 180,372
Total Liabilities	<u>\$ 180,372</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 Entitlement (24106). 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.

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.

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.

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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.

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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.

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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.

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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		Balance	Reconciled	Type	Interest or
<u>Name of Account</u>	Per Bank	6/30/12	Balance		Non-Interest
Payment Account	\$	1,801,369	\$ 1,505,285	Checking	Interest
Draw Account		1,153	50	Checking	Non-Interest
High School		186,136	177,880	Checking	Interest
Memorial Funds		1,170	1,170	CD	Interest
TOTAL Deposited		<u>1,989,828</u>	<u>\$ 1,684,385</u>		
Less: FDIC Coverage		<u>(251,153)</u>			
Uninsured Amount		1,738,675			
50% collateral requirement		869,338			
Pledged securities		<u>2,109,013</u>			
Over (Under) requirement	\$	<u>1,239,676</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	\$ 1,193,225	05/20/37	* IB AFS
GNMA Pool #4083	36202ERC5	673,893	02/20/38	* IB AFS
GNMA II Pool #80444	36225CP67	194,598	08/20/30	* IB AFS
GNMA II Pool # 80719	36225CYR1	47,297	06/20/33	* IB AFS
		<u>\$ 2,109,013</u>		

* Independent Bank AFS
Dallas TX

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Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 251,153
Collateralized:	
Collateral held by the pledging bank in District's name	1,738,675
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 1,989,828</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, 2012, none of District's bank balance of \$1,989,828 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 Risk Pool 24120	Other Governmental Funds	Total
General Fund	\$ 38,131	\$ 22,832	\$ 51,524	\$ 12,273	124,760
Totals	<u>\$ 38,131</u>	<u>\$ 22,832</u>	<u>\$ 51,524</u>	<u>\$ 12,273</u>	<u>124,760</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, 2012:

	Operational Fund 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes Receivable:	\$		
Available	234	939	2,934
Unavailable	1,485	4,591	15,195
TOTAL Property Taxes Receivable	<u>\$ 1,719</u>	<u>\$ 5,530</u>	<u>\$ 18,129</u>

NOTE F: DUE FROM GRANTOR

Amounts due from other agencies and units of government were as follows as of June 30, 2012:

Federal Agencies	\$ 138,554
State Agencies	4,090
Total	<u>\$ 142,644</u>

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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, 2012:

	Operational Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Property Taxes	\$ 1,485	\$ 4,591	\$ 15,195	\$ 0
Federal Revenues	0	0	0	5,604
TOTAL Deferred Revenues	<u>\$ 1,485</u>	<u>\$ 4,591</u>	<u>\$ 15,195</u>	<u>\$ 5,604</u>

NOTE H: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2012, is as follows:

	Balance 6/30/11	Increases	Adjustments	Balance 6/30/12
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Total Capital Assets, not being Depreciated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Assets, being Depreciated				
Buildings & Improvements	20,268,474	330,541	0	20,599,015
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,011,681</u>	<u>30,971</u>	<u>0</u>	<u>2,042,652</u>
Total Capital Assets, being Depreciated	<u>22,280,155</u>	<u>361,512</u>	<u>0</u>	<u>22,641,667</u>
Total Capital Assets	<u>\$ 22,280,155</u>	<u>\$ 361,512</u>	<u>\$ 0</u>	<u>\$ 22,641,667</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 2,306,965	\$ 618,613	\$ 0	\$ 2,925,578
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>950,165</u>	<u>22,707</u>	<u>0</u>	<u>972,872</u>
Total Accumulated Depreciation	<u>3,257,130</u>	<u>641,320</u>	<u>0</u>	<u>3,898,450</u>
Capital Assets, net	<u>\$ 19,023,025</u>	<u>\$ (279,808)</u>	<u>\$ 0</u>	<u>\$ 18,743,217</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 641,320
Total depreciation expenses	<u>\$ 641,320</u>

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NOTE I: LONG TERM DEBT

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

	Balance 6/30/11	Additions	Reductions	Balance 6/30/12	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 2,335,000	\$ 0	\$ 255,000	\$ 2,080,000	\$ 275,000
Total Bonds	<u>2,335,000</u>	<u>0</u>	<u>255,000</u>	<u>2,080,000</u>	<u>275,000</u>
Other Liabilities					
Compensated					
Absences	9,142	9,091	9,821	8,412	0
Total Other	<u>9,142</u>	<u>9,091</u>	<u>9,821</u>	<u>8,412</u>	<u>0</u>
Liabilities					
Long-Term Liabilities					
Liabilities	\$ 2,344,142	\$ 9,091	\$ 264,821	\$ 2,088,412	\$ 275,000

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	\$ 2,080,000
Issue Costs	(79,744)
Accumulated Amortization	27,096
Statement of Net Assets	<u>\$ 2,027,352</u>
Government Wide Statements	
Amount Reported as Current Amount Due	\$ 275,000
Amount Reported as Long-Term Due	1,752,352
Statement of Net Assets	<u>\$ 2,027,352</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%	\$ 865,000
2007	11/16/07	1,500,000	3.570 %	100,000
2010	10/15/2009	880,000	2.09%	1,115,000
				<u>\$ 2,080,000</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	295,000	21,724	316,724
2018-2020	625,000	20,373	645,373
	<u>\$ 2,080,000</u>	<u>\$ 211,326</u>	<u>\$ 2,291,326</u>

NOTE J: COMMITMENTS

There are no major construction commitments planned for the future.

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, 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, 2012, 2011, and 2010, were \$483,178, \$510,003, and \$517,634 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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2012

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>
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, 2012, 2011 and 2010 were \$65,762, \$62,784 and \$49,489 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 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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 5,000	\$ 5,000	\$ 1,329	\$ (3,671)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>1,329</u>	<u>(3,671)</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	288,545	221,004	3,032	217,972
Construction Services	300,000	360,016	294,494	65,522
Supply Assets	<u>0</u>	<u>7,525</u>	<u>7,524</u>	<u>1</u>
Total Capital Outlay	<u>588,545</u>	<u>588,545</u>	<u>305,050</u>	<u>283,495</u>
Total Expenditures	<u>588,545</u>	<u>588,545</u>	<u>305,050</u>	<u>283,495</u>
Excess (Deficiency) of Revenues Over Expenditures	(583,545)	(583,545)	(303,721)	279,824
Cash Balance Beginning of Year	<u>583,545</u>	<u>583,545</u>	<u>583,545</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 279,824</u>	<u>\$ 279,824</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (303,721)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (303,721)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 104,934	\$ 104,934	\$ 107,738	\$ 2,804
Interest Income	2,000	2,000	443	(1,557)
Total Revenues	<u>106,934</u>	<u>106,934</u>	<u>108,181</u>	<u>1,247</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>1,049</u>	<u>1,049</u>	<u>1,049</u>	<u>0</u>
Total Support Services-General Administration	<u>1,049</u>	<u>1,049</u>	<u>1,049</u>	<u>0</u>
Capital Outlay				
Purchased Property Services	100,000	100,000	34,236	65,764
Supplies	0	26,178	3,615	22,563
Fixed Assets	246,646	227,582	42,533	185,049
Supply Assets	<u>0</u>	<u>0</u>	<u>26,259</u>	<u>(26,259)</u>
Total Capital Outlay	<u>346,646</u>	<u>353,760</u>	<u>106,643</u>	<u>247,117</u>
Total Expenditures	<u>347,695</u>	<u>354,809</u>	<u>107,692</u>	<u>247,117</u>
Excess (Deficiency) of Revenues Over Expenditures	(240,761)	(247,875)	489	248,364
Cash Balance Beginning of Year	<u>247,875</u>	<u>247,875</u>	<u>247,875</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,114</u>	<u>\$ 0</u>	<u>\$ 248,364</u>	<u>\$ 248,364</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 489	
Net Change in Taxes Receivable			189	
Net Change in Accounts Payable			4,531	
Net Change in Deferred Revenue			(90)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,119</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 315,347	\$ 315,347	\$ 335,580	\$ 20,233
Interest Income	1,000	1,000	443	(557)
Total Revenues	<u>316,347</u>	<u>316,347</u>	<u>336,023</u>	<u>19,676</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>3,153</u>	<u>3,153</u>	<u>3,153</u>	<u>0</u>
Total Support Services-General Administration	<u>3,153</u>	<u>3,153</u>	<u>3,153</u>	<u>0</u>
Debt Service				
Principal	255,000	255,000	255,000	0
Interest	<u>60,595</u>	<u>60,595</u>	<u>60,594</u>	<u>1</u>
Total Debt Service	<u>315,595</u>	<u>315,595</u>	<u>315,594</u>	<u>1</u>
Total Expenditures	<u>318,748</u>	<u>318,748</u>	<u>318,747</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,401)	(2,401)	17,276	19,677
Cash Balance Beginning of Year	<u>315,204</u>	<u>315,204</u>	<u>315,204</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 312,803</u>	<u>\$ 312,803</u>	<u>\$ 332,480</u>	<u>\$ 19,677</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 17,276	
Net Change in Taxes Receivable			355	
Net Change in Outstanding Taxes			313	
Net Change in Deferred Revenue			(313)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 17,631</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 B Discretionary (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.

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.

McKinney-Vento Homeless Ed (24113). 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. 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.

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).

Title III (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.

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.

NONMAJOR SPECIAL REVENUE FUNDS

Homeless Education 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.

Elementary School Counseling (25215). To account for a federal grant funded by the U.S. Department of Education to provide staff and materials for elementary school counseling. The fund was created by the authority of federal 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.

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.

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.

2010 GO Student Library (27106). To provide funding for the purchase of library books. The fund was created by the authority of state grant provision.

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 CAPITAL PROJECTS FUND

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, 2012

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA B Discretionary 24107
ASSETS			
Cash and Cash Equivalents	\$ 56,052	\$ 12,369	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	1,779	0	0
Total Assets	<u>\$ 57,831</u>	<u>\$ 12,369</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	765	596	0
Deferred Revenue	0	0	0
Total Liabilities	<u>765</u>	<u>596</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	1,779	0	0
Restricted for, reported in			
Special Revenue Funds	55,287	11,773	0
Total Fund Balance	<u>57,066</u>	<u>11,773</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 57,831</u>	<u>\$ 12,369</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, 2012

	Special Revenue		
	IDEA Preschool 24109	McKinney-Vento Homeless Ed 24113	Teacher Training & Recruiting 24154
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	3,550	4,226	465
Inventory	0	0	0
Total Assets	<u>\$ 3,550</u>	<u>\$ 4,226</u>	<u>\$ 465</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 3,550	\$ 4,226	\$ 407
Payables	0	0	58
Deferred Revenue	0	0	0
Total Liabilities	<u>3,550</u>	<u>4,226</u>	<u>465</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,550</u>	<u>\$ 4,226</u>	<u>\$ 465</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, 2012

	Special Revenue		
	Title III 24163	Title I Recovery Act 24201	IDEA B Entitlement Recovery Act 24206
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
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
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, 2012

	Special Revenue		
	IDEA Preschool Recovery Act 24209	Homeless Education Recovery Act 24213	Elementary School Counseling 25215
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 5,876
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,876</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	308
Deferred Revenue	0	0	5,568
Total Liabilities	<u>0</u>	<u>0</u>	<u>5,876</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	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>\$ 5,876</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, 2012

	Special Revenue		
	Rural Education Achievement Program 25233	Education Job Fund 25255	Duel Credit 27103
ASSETS			
Cash and Cash Equivalents	\$ 36	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	3,469
Inventory	0	0	0
Total Assets	<u>\$ 36</u>	<u>\$ 0</u>	<u>\$ 3,469</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 3,469
Payables	0	0	0
Deferred Revenue	36	0	0
Total Liabilities	<u>36</u>	<u>0</u>	<u>3,469</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 36</u>	<u>\$ 0</u>	<u>\$ 3,469</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, 2012

	Special Revenue		
	2010 GO Student Library 27106	School Based Health 29130	Microsoft 29132
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 92,228	\$ 6,661
Receivables			
Due From Grantor	621	0	0
Inventory	0	0	0
Total Assets	<u>\$ 621</u>	<u>\$ 92,228</u>	<u>\$ 6,661</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 621	\$ 0	\$ 0
Payables	0	0	175
Deferred Revenue	0	0	0
Total Liabilities	<u>621</u>	<u>0</u>	<u>175</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	92,228	6,486
Total Fund Balance	<u>0</u>	<u>92,228</u>	<u>6,486</u>
Total Liabilities and Fund Balance	<u>\$ 621</u>	<u>\$ 92,228</u>	<u>\$ 6,661</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, 2012

	<u>Capital Projects</u>	
	Special Capital Outlay State 31400	Total
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 0	\$ 173,222
Receivables		
Due From Grantor	0	12,331
Inventory	0	1,779
Total Assets	<u>\$ 0</u>	<u>\$ 187,332</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 0	\$ 12,273
Payables	0	1,902
Deferred Revenue	0	5,604
Total Liabilities	<u>0</u>	<u>19,779</u>
Fund Balance		
Nonspendable-Inventory	0	1,779
Restricted for, reported in		
Special Revenue Funds	0	165,774
Total Fund Balance	<u>0</u>	<u>167,553</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 187,332</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, 2012

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA B Discretionary 24107
Revenues			
Interest Income	\$ 372	\$ 0	\$ 0
Fees	39,386	35,742	0
State and Local Grants	0	0	0
Federal Grants	88,848	0	0
Total Revenues	<u>128,606</u>	<u>35,742</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	35,206	0
Support Services-Students	0	0	0
Support Services-School Administration	0	0	0
Food Service	142,106	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>142,106</u>	<u>35,206</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,500)	536	0
Fund Balances at Beginning of Year	<u>70,566</u>	<u>11,237</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 57,066</u>	<u>\$ 11,773</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, 2012

	Special Revenue		
	IDEA Preschool 24109	McKinney-Vento Homeless Ed 24113	Teacher Training & Recruiting 24154
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	4,820	4,901	407
Total Revenues	<u>4,820</u>	<u>4,901</u>	<u>407</u>
Expenditures			
Current			
Instruction	4,820	4,901	0
Support Services-Students	0	0	0
Support Services-School Administration	0	0	407
Food Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>4,820</u>	<u>4,901</u>	<u>407</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2012

	Special Revenue		
	Title III 24163	Title I Recovery Act 24201	IDEA B Entitlement Recovery Act 24206
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-School Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2012

	Special Revenue		
	IDEA Preschool Recovery Act 24209	Homeless Education Recovery Act 24213	Elementary School Counseling 25215
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	55,386
Total Revenues	<u>0</u>	<u>0</u>	<u>55,386</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	55,386
Support Services-School Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>55,386</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2012

	Special Revenue		
	Rural Education Achievement Program 25233	Education Job Fund 25255	Duel Credit 27103
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	5,741
Federal Grants	62,462	1,321	0
Total Revenues	<u>62,462</u>	<u>1,321</u>	<u>5,741</u>
Expenditures			
Current			
Instruction	62,462	1,321	5,741
Support Services-Students	0	0	0
Support Services-School Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>62,462</u>	<u>1,321</u>	<u>5,741</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2012

	Special Revenue		
	2010 GO Student Library 27106	School Based Health 29130	Microsoft 29132
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	6,270	10,000	0
Federal Grants	0	0	0
Total Revenues	<u>6,270</u>	<u>10,000</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	6,270	4,109	21,827
Support Services-School Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>6,270</u>	<u>4,109</u>	<u>21,827</u>
Excess (Deficiency) of Revenues Over Expenditures	0	5,891	(21,827)
Fund Balances at Beginning of Year	<u>0</u>	<u>86,337</u>	<u>28,313</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 92,228</u>	<u>\$ 6,486</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, 2012

	<u>Capital Projects</u>	
	Special Capital Outlay State 31400	Total
Revenues		
Interest Income	\$ 0	\$ 372
Fees	0	75,128
State and Local Grants	21,453	43,464
Federal Grants	0	218,145
Total Revenues	<u>21,453</u>	<u>337,109</u>
Expenditures		
Current		
Instruction	0	114,451
Support Services-Students	0	87,592
Support Services-School Administration	0	407
Food Service	0	142,106
Capital Outlay	<u>21,453</u>	<u>21,453</u>
Total Expenditures	<u>21,453</u>	<u>366,009</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(28,900)
Fund Balances at Beginning of Year	<u>0</u>	<u>196,453</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 167,553</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 500	\$ 500	\$ 372	\$ (128)
Fees	34,000	34,000	39,386	5,386
Federal Grant	80,000	80,000	79,832	(168)
Total Revenues	<u>114,500</u>	<u>114,500</u>	<u>119,590</u>	<u>5,090</u>
Expenditures				
Food Service				
Personnel Services	45,000	45,000	42,255	2,745
Employee Benefits	23,500	26,750	26,714	36
Professional & Tech Services	500	500	227	273
Other Purchased Services	500	500	72	428
Supplies	60,000	62,500	62,644	(144)
Total Food Service	<u>129,500</u>	<u>135,250</u>	<u>131,912</u>	<u>3,338</u>
Total Expenditures	<u>129,500</u>	<u>135,250</u>	<u>131,912</u>	<u>3,338</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(20,750)	(12,322)	8,428
Cash Balance Beginning of Year	<u>68,374</u>	<u>68,374</u>	<u>68,374</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 53,374</u>	<u>\$ 47,624</u>	<u>\$ 56,052</u>	<u>\$ 8,428</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12,322)	
Net Change in Inventory			(413)	
Net Change in Accounts Payables			(765)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (13,500)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 40,000	\$ 40,000	\$ 35,742	\$ (4,258)
Interest Income	120	120	0	(120)
Total Revenues	<u>40,120</u>	<u>40,120</u>	<u>35,742</u>	<u>(4,378)</u>
Expenditures				
Instruction				
Personnel Services	6,000	6,000	2,522	3,478
Employee Benefits	2,000	2,000	426	1,574
Professional & Tech Services	18,000	18,000	7,864	10,136
Purchased Services	23,000	23,000	18,679	4,321
Supplies	2,000	2,000	5,119	(3,119)
Total Instruction	<u>51,000</u>	<u>51,000</u>	<u>34,610</u>	<u>16,390</u>
Total Expenditures	<u>51,000</u>	<u>51,000</u>	<u>34,610</u>	<u>16,390</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,880)	(10,880)	1,132	12,012
Cash Balance Beginning of Year	<u>11,237</u>	<u>11,237</u>	<u>11,237</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 357</u>	<u>\$ 357</u>	<u>\$ 12,369</u>	<u>\$ 12,012</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,132	
Net Change in Accounts Payables			<u>(596)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 536</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 31,474	\$ 31,474	\$ 33,220	\$ 1,746
Total Revenues	<u>31,474</u>	<u>31,474</u>	<u>33,220</u>	<u>1,746</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<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	<u>31,474</u>	<u>31,474</u>	<u>33,220</u>	<u>1,746</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>(1,746)</u>	<u>(1,746)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(1,746)</u>	<u>(1,746)</u>
Net Change in Cash Balance	31,474	31,474	31,474	0
Cash Balance Beginning of Year	<u>(31,474)</u>	<u>(31,474)</u>	<u>(31,474)</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				
Net Change in Cash Balance			\$ 31,474	
Net Change in Due from Grantor			<u>(31,474)</u>	
Net Change in Fund Balance			<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-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 6,914	\$ 6,914	\$ 3,092	\$ (3,822)
Total Revenues	<u>6,914</u>	<u>6,914</u>	<u>3,092</u>	<u>(3,822)</u>
Expenditures				
Instruction				
Personnel Services	4,183	4,183	4,119	64
Employee Benefits	909	909	701	208
Total Instruction	<u>5,092</u>	<u>5,092</u>	<u>4,820</u>	<u>272</u>
Total Expenditures	<u>5,092</u>	<u>5,092</u>	<u>4,820</u>	<u>272</u>
Excess (Deficiency) of Revenues Over Expenditures	1,822	1,822	(1,728)	(3,550)
Cash Balance Beginning of Year	<u>(1,822)</u>	<u>(1,822)</u>	<u>(1,822)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,550)</u>	<u>\$ (3,550)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,728)	
Net Change in Due from Grantor			<u>1,728</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-McKINNEY VENTO-HOMELESS ED-24113
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 5,000	\$ 5,000	\$ 675	\$ (4,325)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>675</u>	<u>(4,325)</u>
Expenditures				
Instruction				
Supplies	5,000	5,000	4,901	99
Total Instruction	<u>5,000</u>	<u>5,000</u>	<u>4,901</u>	<u>99</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,901</u>	<u>99</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,226)	(4,226)
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>\$ (4,226)</u>	<u>\$ (4,226)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,226)	
Net Change in Due from Grantor			<u>4,226</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-TEACHER TRAINING & RECRUITING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 7,884	\$ 8,616	\$ 8,007	\$ (609)
Total Revenues	<u>7,884</u>	<u>8,616</u>	<u>8,007</u>	<u>(609)</u>
Expenditures				
Support Services-School Administration				
Professional & Tech Services	0	732	407	325
Total Support Services-School Administration	<u>0</u>	<u>732</u>	<u>407</u>	<u>325</u>
Total Expenditures	<u>0</u>	<u>732</u>	<u>407</u>	<u>325</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,884</u>	<u>7,884</u>	<u>7,600</u>	<u>284</u>
Other Financing Sources (Uses)				
Transfers	0	0	(123)	123
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(123)</u>	<u>123</u>
Net Change in Cash Balance	7,884	7,884	7,477	407
Cash Balance Beginning of Year	<u>(7,884)</u>	<u>(7,884)</u>	<u>(7,884)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(407)</u>	\$ <u>407</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 7,477	
Net Change in Due from Grantor			<u>(7,477)</u>	
Net Change in Fund Balance			\$ <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-24163
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers	0	0	(711)	711
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(711)</u>	<u>711</u>
Net Change in Cash Balance	0	0	(711)	711
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>\$ 0</u>	<u>\$ 711</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (711)	
Net Change in Due from Grantor			711	
Net Change in Fund Balance			<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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 658	\$ 658	\$ 658	\$ 0
Total Revenues	<u>658</u>	<u>658</u>	<u>658</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>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	658	658	658	0
Cash Balance Beginning of Year	<u>(658)</u>	<u>(658)</u>	<u>(658)</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			\$ 658	
Net Change in Due From Grantor			<u>(658)</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 B RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 62	\$ 62	\$ 62	\$ 0
Total Revenues	<u>62</u>	<u>62</u>	<u>62</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech 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	62	62	62	0
Cash Balance Beginning of Year	<u>(62)</u>	<u>(62)</u>	<u>(62)</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			\$ 62	
Net Change in Due from Grantor			<u>(62)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 51	\$ 51	\$ 51	\$ 0
Total Revenues	<u>51</u>	<u>51</u>	<u>51</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>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	51	51	51	0
Cash Balance Beginning of Year	<u>(51)</u>	<u>(51)</u>	<u>(51)</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			\$ 51	
Net Change in Due from Grantor			<u>(51)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,441	\$ 1,441	\$ 1,441	\$ 0
Total Revenues	<u>1,441</u>	<u>1,441</u>	<u>1,441</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	1,441	1,441	1,441	0
Cash Balance Beginning of Year	<u>(1,441)</u>	<u>(1,441)</u>	<u>(1,441)</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			\$ 1,441	
Net Change in Due from Grantor			<u>(1,441)</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-ELELMETARY SCHOOL COUNSELING-25215
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 250,996	\$ 250,996	\$ 60,953	\$ (190,043)
Total Revenues	<u>250,996</u>	<u>250,996</u>	<u>60,953</u>	<u>(190,043)</u>
Expenditures				
Support Services-Students				
Personnel Services	100,250	100,250	33,675	66,575
Employee Benefits	46,566	46,623	6,401	40,222
Professional & Tech Services	42,192	42,185	2,234	39,951
Other Purchased Services	53,000	52,950	6,351	46,599
Supplies	3,988	3,988	2,797	1,191
Supply Assets	5,000	5,000	3,619	1,381
Total Support Services-Students	<u>250,996</u>	<u>250,996</u>	<u>55,077</u>	<u>195,919</u>
Total Expenditures	<u>250,996</u>	<u>250,996</u>	<u>55,077</u>	<u>195,919</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	5,876	5,876
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>\$ 5,876</u>	<u>\$ 5,876</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,876	
Net Change in Accounts Payables			(308)	
Net Change in Deferred Revenue			(5,568)	
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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 49,230	\$ 83,610	\$ 62,498	\$ 21,112
Total Revenues	<u>49,230</u>	<u>83,610</u>	<u>62,498</u>	<u>21,112</u>
Expenditures				
Instruction				
Personnel Services	6,517	19,732	19,732	0
Employee Benefits	0	3,668	3,665	3
Other Purchased Services	14,333	0	0	0
Supplies	14,000	39,680	39,065	615
Supply Assets	14,380	20,530	0	20,530
Total Instruction	<u>49,230</u>	<u>83,610</u>	<u>62,462</u>	<u>21,148</u>
Total Expenditures	<u>49,230</u>	<u>83,610</u>	<u>62,462</u>	<u>21,148</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	36	(36)
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>\$ 36</u>	<u>\$ (36)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 36	
Net Change in Deferred Revenue			<u>(36)</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 JOB FUND-25255
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 27,861	\$ 27,861	\$ 27,861	\$ 0
Total Revenues	<u>27,861</u>	<u>27,861</u>	<u>27,861</u>	<u>0</u>
Expenditures				
Instruction				
Employee Benefits	1,321	1,321	1,321	0
Total Instruction	<u>1,321</u>	<u>1,321</u>	<u>1,321</u>	<u>0</u>
Total Expenditures	<u>1,321</u>	<u>1,321</u>	<u>1,321</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	26,540	26,540	26,540	0
Cash Balance Beginning of Year	<u>(26,540)</u>	<u>(26,540)</u>	<u>(26,540)</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			\$ 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-DUEL CREDIT-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 4,543	\$ 5,763	\$ 2,272	\$ (3,491)
Total Revenues	<u>4,543</u>	<u>5,763</u>	<u>2,272</u>	<u>(3,491)</u>
Expenditures				
Instruction				
Supplies	4,543	5,763	5,741	22
Total Instruction	<u>4,543</u>	<u>5,763</u>	<u>5,741</u>	<u>22</u>
Total Expenditures	<u>0</u>	<u>5,763</u>	<u>5,741</u>	<u>22</u>
Excess (Deficiency) of Revenues Over Expenditures	4,543	0	(3,469)	(3,469)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,543</u>	<u>\$ 0</u>	<u>\$ (3,469)</u>	<u>\$ (3,469)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,469)	
Net Change in Due from Grantor			<u>3,469</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-2010 GO STUDENT LIBRARY-27106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 6,270	\$ 6,270	\$ 5,649	\$ (621)
Total Revenues	<u>6,270</u>	<u>6,270</u>	<u>5,649</u>	<u>(621)</u>
Expenditures				
Support Services-Instruction				
Supplies	<u>6,270</u>	<u>6,270</u>	<u>6,270</u>	<u>0</u>
Total Support Services-Instruction	<u>6,270</u>	<u>6,270</u>	<u>6,270</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,270</u>	<u>6,270</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	6,270	0	(621)	(621)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,270</u>	<u>\$ 0</u>	<u>\$ (621)</u>	<u>\$ (621)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (621)	
Net Change in Due from Grantor			<u>621</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 BASED HEALTH-29130
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 60,000	\$ 60,000	\$ 10,000	\$ (50,000)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>10,000</u>	<u>(50,000)</u>
Expenditures				
Support Services-Students				
Purchased Services	125,226	125,226	4,109	121,117
Total Support Services-Students	<u>125,226</u>	<u>125,226</u>	<u>4,109</u>	<u>121,117</u>
Total Expenditures	<u>125,226</u>	<u>125,226</u>	<u>4,109</u>	<u>121,117</u>
Excess (Deficiency) of Revenues Over Expenditures	(65,226)	(65,226)	5,891	71,117
Cash Balance Beginning of Year	<u>86,337</u>	<u>86,337</u>	<u>86,337</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 21,111</u>	<u>\$ 21,111</u>	<u>\$ 92,228</u>	<u>\$ 71,117</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>5,891</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>5,891</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 5,486	\$ 5,486	\$ 0	\$ (5,486)
Total Revenues	<u>5,486</u>	<u>5,486</u>	<u>0</u>	<u>(5,486)</u>
Expenditures				
Support Services-Instruction				
Supplies	34,000	34,000	21,853	12,147
Total Support Services-Instruction	<u>34,000</u>	<u>34,000</u>	<u>21,853</u>	<u>12,147</u>
Total Expenditures	<u>34,000</u>	<u>34,000</u>	<u>21,853</u>	<u>12,147</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,514)	(28,514)	(21,853)	6,661
Cash Balance Beginning of Year	<u>28,514</u>	<u>28,514</u>	<u>28,514</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,661</u>	<u>\$ 6,661</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,853)	
Net Change in Accounts Payable			<u>26</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (21,827)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 21,454	\$ 21,454	\$ 21,453	\$ (1)
Total Revenues	<u>21,454</u>	<u>21,454</u>	<u>21,453</u>	<u>(1)</u>
Expenditures				
Capital Outlay				
Construction Services	21,453	21,453	21,453	0
Total Capital Outlay	<u>21,453</u>	<u>21,453</u>	<u>21,453</u>	<u>0</u>
Total Expenditures	<u>21,453</u>	<u>21,453</u>	<u>21,453</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1	1	0	(1)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ (1)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <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.

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, 2012

	Beginning Balance <u>06/30/11</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>06/30/12</u>
ASSETS				
Activity Trust Fund	\$ 145,312	\$ 252,735	\$ 217,675	\$ 180,372
TOTAL Assets	<u>\$ 145,312</u>	<u>\$ 252,735</u>	<u>\$ 217,675</u>	<u>\$ 180,372</u>
LIABILITIES				
Due to Student Groups	\$ 145,312	\$ 252,735	\$ 217,675	\$ 180,372
TOTAL Liabilities	<u>\$ 145,312</u>	<u>\$ 252,735</u>	<u>\$ 217,675</u>	<u>\$ 180,372</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, 2012

	Beginning Balance 06/30/11	Additions	Deductions	Ending Balance 06/30/12
ASSETS				
0 Draw	\$ 50	\$ 0	\$ 0	\$ 50
11 Admin Principal	896	738	0	1,634
12 Photography Club	226	0	0	226
13 All School	12,924	62,341	16,336	58,929
15 Library	296	7	0	303
16 Student Council	537	494	891	140
17 Accelerated Reader	1	432	416	17
19 Close Up	133	0	0	133
20 National Honor Society	3,595	1,183	3,097	1,681
22 Home Economic Department	4	0	0	4
23 General Technology	90	0	0	90
24 Zune	323	410	0	733
31 Athletic Boosters	13,763	40,893	50,722	3,934
32 Vixen Volleyball	5,402	8,111	9,139	4,374
33 Fox Basketball	968	535	1,297	206
34 Vixen Basketball	4,917	6,093	7,412	3,598
36 Fox Football	405	6,935	4,847	2,493
35 Harley Raffle	5,271	0	0	5,271
41 BPA	0	64,388	64,330	58
42 Greenhouse	51,860	7,910	0	59,770
43 Drug Free	676	0	0	676
44 FFA	1,984	15,336	16,546	774
46 Science Club	6,904	0	0	6,904
48 Drama	783	336	491	628
49 McMillian Memorial Fund	738	2,142	536	2,344
50 West Greenhouse	1,796	0	0	1,796
51 Cheerleaders	1,260	9,121	10,120	261
61 Band	3,044	418	1,196	2,266
70 Student Achievement	15,800	108	4,060	11,848
75 Class of 2012	1,170	0	1,170	0
76 Class of 2013	1,241	8,684	8,665	1,260
77 Class of 2014	288	2,063	320	2,031
78 Class of 2015	245	0	0	245
81 Elementary	5,463	4,955	5,508	4,910
82 Class of 2018	0	60	0	60
91 Annual	117	8,111	7,572	656
92 FCA	0	931	862	69
Memorial Funds	2,142	0	2,142	0
Total Assets	\$ 145,312	\$ 252,735	\$ 217,675	\$ 180,372
LIABILITIES				
Deposits Held for Others	\$ 145,312	\$ 252,735	\$ 217,675	\$ 180,372
Total Liabilities	\$ 145,312	\$ 252,735	\$ 217,675	\$ 180,372

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, 2012

		Beginning Cash 6/30/11	Revenues	Expenditures	Transfers	Ending Cash 6/30/12
Operational	11000	\$ 279,783	\$ 3,377,241	\$ 3,440,542	\$ 0	\$ 216,482
Transportation	13000	11,145	413,277	418,818	0	5,604
Instructional Materials	14000	7	13,227	6,159	0	7,075
Food Services	21000	68,372	119,590	131,911	0	56,051
Athletics	22000	11,238	35,742	34,610	0	12,370
Activities	23000	145,312	252,736	217,675	0	180,373
Federal Flowthrough	24000	(84,749)	215,253	245,173	(6,001)	(120,670)
Federal Direct	25000	(26,539)	151,312	118,860	0	5,913
State Flowthrough	27000	0	7,921	12,011	0	(4,090)
Local or State	29000	390,407	100,165	25,962	0	464,610
Bond Building	31100	583,545	1,329	305,050	0	279,824
Special Capital Outlay-State	31400	0	21,453	21,453	0	0
Senate Bill Nine	31700	247,875	108,181	107,692	0	248,364
Debt Service	41000	315,203	336,023	318,747	0	332,479
Total		\$ 1,941,599	\$ 5,153,450	\$ 5,404,663	\$ (6,001)	\$ 1,684,385

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

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 of the general fund and major special revenue funds, the budgetary comparisons for the major capital project funds, major debt service fund and the combining individual funds and related budgetary comparison presented as supplemental information of the Fort Sumner Municipal School District (District) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the board is responsible for establishing and maintaining effective 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 our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 correct on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting; 12-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, 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 responses; 12-1.

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 responses 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

November 14, 2012

STATE OF NEW MEXICO
FORT SUMNER MUNICIPAL SCHOOLS
 Schedule of Findings and Responses
 For the Year Ended June 30, 2012

Prior Year Audit Findings	<u>Status</u>
11-1 Background Checks	Resolved
11-2 Deposited Federal Revenue into the Wrong Fund	Resolved
11-3 Certificate of Deposit was not included in the general ledger	Resolved
11-4 Cash Appropriations in Excess of Available Cash Balances	Resolved
11-5 Capital Assets	Resolved

Current Year Audit Findings

12-1 Expenditure Issues - Compliance and Internal Control-Significant Deficiency

Condition

Of a sample size of 227 revealed the following:

- Four PO's were issued after the fact for a total of \$20,411.29.

Criteria

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

The procurement process was not followed resulting in four purchase orders issued after the invoice date.

Effect

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results could be over spending.

Recommendation

Staff meeting need to be held with training on the procurement process. The Superintendent needs to enforce the process and write up those who violate it. There should be consequences to violations.

Response

The District continues to hold trainings with personnel on the procurement act. The Superintendent continues to enforce the process through progressive discipline which can include reprimands and deductions from payroll for expenditures that don't have proper documentation. All revised PO's are now included in the audit file.

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 November 14, 2012 with Patricia Miller-Superintendent, Cody West-Vice President, Betty Mitchell-Business Manager and De'Aun Willoughby, CPA.