



STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2010

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



STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
Official Roster
June 30, 2010

BOARD OF EDUCATION

Travis Glenn	President
Brett Sterling	Vice-President
Ben Powell	Secretary
Fernando Jimenez	Member
Kelley Cogburn	Member

SCHOOL OFFICIALS

Buddy Little	Superintendent
Leslie Pearce	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

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

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general funds and major special revenue fund of TATUM MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project fund, 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, 2010, 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, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue fund 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, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

De'Aun Willoughby, CPA PC

November 10, 2010

FINANCIAL SECTION

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 Government-Wide Statement of Net Assets
 June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 638,294
Investments	630,668
Interest Receivable	102
Taxes Receivable	41,497
Due From Grantor	129,644
Inventory	1,950
Total Current Assets	<u>1,442,155</u>
Noncurrent Assets	
Capital Assets	16,210,920
Less: Accumulated Depreciation	<u>(9,090,875)</u>
Total Noncurrent Assets	<u>7,120,045</u>
Total Assets	<u>8,562,200</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	32,985
Accrued Interest	14,898
Compensated Absences	45,383
Current Portion of Long-Term Debt	355,000
Total Current Liabilities	<u>448,266</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>1,514,954</u>
Total Noncurrent Liabilities	<u>1,514,954</u>
Total Liabilities	<u>1,963,220</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	5,250,091
Restricted for Capital Projects	325,967
Unrestricted	1,022,922
Total Net Assets	<u>\$ 6,598,980</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 2,943,197	\$ 24,261	\$ 472,338	\$ 0	\$ (2,446,598)
Support Service-Students	116,260	0	26,681	0	(89,579)
Support Services-Instruction	90,619	0	15,349	0	(75,270)
Support Services-General Administration	113,887	0	16,323	0	(97,564)
Support Services-School Administration	233,952	0	599	0	(233,353)
Central Services	157,385	0	0	0	(157,385)
Operation & Maintenance of Plant	607,521	0	0	0	(607,521)
Student Transportation	229,687	0	340,342	0	110,655
Food Services	174,294	30,808	101,390	0	(42,096)
Community Service	12,432	0	0	0	(12,432)
Interest on Long-Term Obligations	64,193	0	0	0	(64,193)
Total Governmental Activities	<u>\$ 4,743,427</u>	<u>\$ 55,069</u>	<u>\$ 973,022</u>	<u>\$ 0</u>	<u>(3,715,336)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					66,212
Property Taxes, Levied for Capital Projects					270,671
Property Taxes, Levied for Debt Service					412,601
Federal and State aid not restricted to specific purpose					
General					2,780,379
Capital					8,760
Interest and investment earnings					2,414
Miscellaneous					42,835
Subtotal, General Revenues					<u>3,583,872</u>
Change in Net Assets					(131,464)
Net Assets - beginning					<u>6,730,444</u>
Net Assets - ending					<u>\$ 6,598,980</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2010

	General Fund		
	Operational 11000	Transportation 13000	Instructional Material 14000
ASSETS			
Cash and Cash Equivalents	\$ 406,828	\$ 5,999	\$ 3,837
Investments	0	0	0
Receivables			
Interest	22	0	0
Property Taxes	3,491	0	0
Due From Grantor	0	0	0
Interfund Balance	128,864	0	0
Inventory	0	0	0
Total Assets	<u>\$ 539,205</u>	<u>\$ 5,999</u>	<u>\$ 3,837</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	9,008	0	0
Total Liabilities	<u>9,008</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	530,197	5,999	3,837
Capital Projects	0	0	0
Total Fund Balances	<u>530,197</u>	<u>5,999</u>	<u>3,837</u>
Total Liabilities and Fund Balances	<u>\$ 539,205</u>	<u>\$ 5,999</u>	<u>\$ 3,837</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2010

	Special	Capital Projects	
	Revenue	Special	Senate
	Title I	Capital Outlay	Bill Nine
	24101	State	31700
		31400	
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 31,585
Investments	0	0	201,300
Receivables			
Interest	0	0	29
Property Taxes	0	0	14,161
Due From Grantor	33,409	50,000	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 33,409</u>	<u>\$ 50,000</u>	<u>\$ 247,075</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 33,309	\$ 50,000	\$ 0
Accounts Payable	100	0	23,197
Total Liabilities	<u>33,409</u>	<u>50,000</u>	<u>23,197</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Retirement of Long-Term Debt	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Capital Projects	0	0	223,878
Total Fund Balances	<u>0</u>	<u>0</u>	<u>223,878</u>
Total Liabilities and Fund Balances	<u>\$ 33,409</u>	<u>\$ 50,000</u>	<u>\$ 247,075</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2010

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 190,045	\$ 638,294
Investments	429,368	0	630,668
Receivables			
Interest	17	34	102
Property Taxes	23,845	0	41,497
Due From Grantor	0	46,235	129,644
Interfund Balance	0	0	128,864
Inventory	0	1,950	1,950
Total Assets	<u>\$ 453,230</u>	<u>\$ 238,264</u>	<u>\$ 1,571,019</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 45,555	\$ 128,864
Accounts Payable	0	680	32,985
Total Liabilities	<u>0</u>	<u>46,235</u>	<u>161,849</u>
 Fund Balances			
Reserved for:			
Inventory	0	1,950	1,950
Special Revenue Funds	0	39,842	39,842
Capital Improvements	0	0	0
Retirement of Long-Term Debt	453,230	48,148	501,378
Unreserved, Undesignated, reported in:			
General Fund	0	0	540,033
Capital Projects	0	102,089	325,967
Total Fund Balances	<u>453,230</u>	<u>192,029</u>	<u>1,409,170</u>
 Total Liabilities and Fund Balances	 <u>\$ 453,230</u>	 <u>\$ 238,264</u>	 <u>\$ 1,571,019</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2010

Total Fund Balance - Governmental Funds \$ 1,409,170

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

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

The cost of capital assets	\$ 16,210,920	
Accumulated depreciation is	<u>(9,090,875)</u>	7,120,045

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

Bonds payable	(1,880,000)	
Issue Costs	25,115	
Accumulated Amortization	(15,069)	
Accrued Interest	(14,898)	
Compensated Absences	<u>(45,383)</u>	<u>(1,930,235)</u>

Total net assets - governmental activities	\$	<u><u>6,598,980</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Material 14000
Revenues			
Property Taxes	\$ 67,330	\$ 0	\$ 0
Interest Income	1,402	0	0
Fees	0	0	0
State and Local Grants	2,780,379	340,342	15,349
Federal Grants	0	0	0
Miscellaneous	2,835	0	0
Total Revenues	<u>2,851,946</u>	<u>340,342</u>	<u>15,349</u>
Expenditures			
Current			
Instruction	1,789,746	0	23,850
Support Services-Students	88,686	0	0
Support Services-Instruction	85,481	0	5,138
Support Services-General Administration	95,293	0	0
Support Services-School Administration	233,353	0	0
Central Services	157,385	0	0
Operation & Maintenance of Plant	399,541	0	0
Student Transportation	0	229,507	0
Food Service	33,955	0	0
Community Services	12,432	0	0
Capital Outlay	17,029	150,287	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>2,912,901</u>	<u>379,794</u>	<u>28,988</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(60,955)</u>	<u>(39,452)</u>	<u>(13,639)</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(60,955)	(39,452)	(13,639)
Fund Balances at Beginning of Year	<u>591,152</u>	<u>45,451</u>	<u>17,476</u>
Fund Balance End of Year	<u>\$ 530,197</u>	<u>\$ 5,999</u>	<u>\$ 3,837</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	Special	Capital Projects	
	Revenue	Special	Senate
	Title I	Capital Outlay	Bill Nine
	24101	State	31700
		31400	31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 275,035
Interest Income	0	0	318
Fees	0	0	0
State and Local Grants	0	8,760	0
Federal Grants	63,660	0	0
Miscellaneous	0	0	40,000
Total Revenues	<u>63,660</u>	<u>8,760</u>	<u>315,353</u>
Expenditures			
Current			
Instruction	61,560	0	40,457
Support Services-Students	2,100	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	858
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	207,980
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	8,760	37,850
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>63,660</u>	<u>8,760</u>	<u>287,145</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>28,208</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	28,208
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>195,670</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 223,878</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2010

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 418,799	\$ 0	\$ 761,164
Interest Income	397	297	2,414
Fees	0	55,069	55,069
State and Local Grants	0	52,762	3,197,592
Federal Grants	0	500,909	564,569
Miscellaneous	0	0	42,835
Total Revenues	<u>419,196</u>	<u>609,037</u>	<u>4,623,643</u>
Expenditures			
Current			
Instruction	0	432,059	2,347,672
Support Services-Students	0	25,474	116,260
Support Services-Instruction	0	0	90,619
Support Services-General Administration	1,413	16,323	113,887
Support Services-School Administration	0	599	233,952
Central Services	0	0	157,385
Operation & Maintenance of Plant	0	0	607,521
Student Transportation	0	0	229,507
Food Service	0	140,076	174,031
Community Services	0	0	12,432
Capital Outlay	0	0	213,926
Debt Service			
Principal	345,000	0	345,000
Interest	63,803	0	63,803
Bond Issue Costs	0	0	0
Total Expenditures	<u>410,216</u>	<u>614,531</u>	<u>4,705,995</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,980</u>	<u>(5,494)</u>	<u>(82,352)</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	8,980	(5,494)	(82,352)
Fund Balances at Beginning of Year	<u>444,250</u>	<u>197,523</u>	<u>1,491,522</u>
Fund Balance End of Year	<u>\$ 453,230</u>	<u>\$ 192,029</u>	<u>\$ 1,409,170</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2010

Net Change in Fund Balance-Governmental Funds \$ (82,352)

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

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. (11,680)

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	\$	(595,476)	
Capital Outlays		<u>213,926</u>	(381,550)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 345,000

Bond issue costs are amortized in the Statement of Activities but are recorded as an expenditure in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. The bond issue costs are amortized over the life of the bonds.

Amortization of Issue Cost this year (2,511)

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, 2009		17,019	
Accrued Interest, June 30, 2010		<u>(14,898)</u>	2,121

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, 2009		44,891	
Compensated Absences, June 30, 2010		<u>(45,383)</u>	<u>(492)</u>

Changes in Net Assets of Governmental Activities \$ (131,464)

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 77,671	\$ 65,883	\$ 65,883	\$ 0
Interest Income	3,000	1,413	1,413	0
State Grant	2,837,250	2,779,400	2,780,379	979
Miscellaneous	0	2,834	2,835	1
Total Revenues	<u>2,917,921</u>	<u>2,849,530</u>	<u>2,850,510</u>	<u>980</u>
Expenditures				
Instruction				
Personnel Services	1,678,116	1,594,781	1,283,576	311,205
Employee Benefits	464,944	420,944	374,074	46,870
Professional & Tech Services	12,800	14,550	5,839	8,711
Purchased Property Services	5,400	5,400	3,172	2,228
Other Purchased Services	63,000	63,935	42,121	21,814
Supplies	112,371	112,371	54,773	57,598
Fixed Assets	48,000	47,818	17,029	30,789
Supply Assets	29,435	29,435	20,507	8,928
Total Instruction	<u>2,414,066</u>	<u>2,289,234</u>	<u>1,801,091</u>	<u>488,143</u>
Support Services-Students				
Personnel Services	0	2,062	2,061	1
Employee Benefits	0	427	425	2
Professional & Tech Services	48,351	92,282	85,992	6,290
Other Purchased Services	200	0	0	0
Supplies	0	52	51	1
Supply Assets	0	217	217	0
Total Support Services-Students	<u>48,551</u>	<u>95,040</u>	<u>88,746</u>	<u>6,294</u>
Support Services-Instruction				
Personnel Services	58,494	53,998	53,492	506
Employee Benefits	20,154	17,872	17,684	188
Professional & Tech Services	12,000	13,828	13,828	0
Supplies	200	511	310	201
Supply Assets	0	167	167	0
Total Support Services-Instruction	<u>90,848</u>	<u>86,376</u>	<u>85,481</u>	<u>895</u>
Support Services-General Administration				
Personnel Services	70,606	61,302	61,301	1
Employee Benefits	24,098	18,832	18,110	722
Professional & Tech Services	10,250	14,041	10,996	3,045
Other Purchased Services	3,100	2,225	742	1,483
Supplies	5,500	6,500	3,784	2,716
Total Support Services-General Administration	<u>113,554</u>	<u>102,900</u>	<u>94,933</u>	<u>7,967</u>

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 182,114	\$ 168,534	\$ 168,084	\$ 450
Employee Benefits	61,830	58,472	56,310	2,162
Professional & Tech Services	500	600	0	600
Other Purchased Services	6,000	3,050	1,610	1,440
Supplies	5,000	6,728	6,728	0
Total Support Services-School Administration	255,444	237,384	232,732	4,652
Central Services				
Personnel Services	94,956	104,705	104,705	0
Employee Benefits	31,161	34,336	34,094	242
Professional & Tech Services	3,000	5,750	5,289	461
Purchased Property Services	7,000	5,316	5,315	1
Other Purchased Services	2,700	5,299	33	5,266
Supplies	6,000	6,196	6,255	(59)
Supply Assets	0	1,872	1,872	0
Total Central Services	144,817	163,474	157,563	5,911
Operation & Maintenance of Plant				
Personnel Services	147,261	147,930	142,648	5,282
Employee Benefits	44,430	50,855	49,654	1,201
Professional & Tech Services	200	200	0	200
Purchased Property Services	150,200	143,244	105,705	37,539
Other Purchased Services	82,042	82,055	81,186	869
Supplies	7,800	22,263	18,649	3,614
Supply Assets	0	5,800	5,439	361
Total Operation & Maintenance of Plant	431,933	452,347	403,281	49,066
Food Service				
Personnel Services	0	4,640	3,444	1,196
Employee Benefits	0	450	284	166
Professional & Tech Services	400	400	45	355
Other Purchased Services	1,000	1,000	259	741
Supplies	42,000	36,610	29,923	6,687
Total Food Service	43,400	43,100	33,955	9,145
Community Service				
Personnel Services	13,000	14,313	11,313	3,000
Employee Benefits	2,114	2,454	1,118	1,336
Total Community Service	15,114	16,767	12,431	4,336
Total Expenditures	\$ 3,557,727	\$ 3,486,622	\$ 2,910,213	\$ 576,409

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (639,806)	\$ (637,092)	\$ (59,703)	\$ 577,389
Cash Balance Beginning of Year	<u>595,395</u>	<u>595,395</u>	<u>595,395</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>(44,411)</u></u>	\$ <u><u>(41,697)</u></u>	\$ <u><u>535,692</u></u>	\$ <u><u>577,389</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (59,703)	
Net Change in Interest Receivable			(11)	
Net Change in Taxes Receivable			329	
Net Change in Accounts Payable			(2,688)	
Net Change in Deferred Revenue			1,118	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(60,955)</u></u>	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 273,190	\$ 329,252	\$ 340,342	\$ 11,090
Total Revenues	<u>273,190</u>	<u>329,252</u>	<u>340,342</u>	<u>11,090</u>
Expenditures				
Student Transportation				
Personnel Services	105,695	108,645	107,887	758
Employee Benefits	65,417	54,267	58,416	(4,149)
Professional & Tech Services	850	850	1,375	(525)
Purchased Property Services	19,172	17,047	28,150	(11,103)
Other Purchased Services	42,018	49,260	5,007	44,253
Supplies	38,538	64,291	27,404	36,887
Buses	0	35,500	126,025	(90,525)
Fixed Assets	0	35,500	24,262	11,238
Supply Assets	1,500	9,540	1,465	8,075
Total Student Transportation	<u>273,190</u>	<u>374,900</u>	<u>379,991</u>	<u>19,313</u>
Total Expenditures	<u>273,190</u>	<u>374,900</u>	<u>379,991</u>	<u>19,313</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(45,648)	(39,649)	5,999
Cash Balance Beginning of Year	<u>45,648</u>	<u>45,648</u>	<u>45,648</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 45,648</u>	<u>\$ 0</u>	<u>\$ 5,999</u>	<u>\$ 5,999</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (39,649)	
Net Change in Accounts Payable			197	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (39,452)</u>	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 26,208	\$ 44,471	\$ 15,349	\$ (29,122)
Total Revenues	<u>26,208</u>	<u>44,471</u>	<u>15,349</u>	<u>(29,122)</u>
Expenditures				
Instruction				
Supplies	24,646	59,268	23,850	35,418
Total Instruction	<u>24,646</u>	<u>59,268</u>	<u>23,850</u>	<u>35,418</u>
Support Services-Instruction				
Supplies	1,562	6,626	5,138	1,488
Total Support Services-Instruction	<u>1,562</u>	<u>6,626</u>	<u>5,138</u>	<u>1,488</u>
Total Expenditures	<u>26,208</u>	<u>65,894</u>	<u>28,988</u>	<u>36,906</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(21,423)	(13,639)	7,784
Cash Balance Beginning of Year	<u>17,476</u>	<u>17,476</u>	<u>17,476</u>	<u>0</u>
Cash Balance End of Year	\$ <u>17,476</u>	\$ <u>(3,947)</u>	\$ <u>3,837</u>	\$ <u>7,784</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,639)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(13,639)</u>	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 86,315	\$ 104,793	\$ 30,680	\$ (74,113)
Total Revenues	<u>86,315</u>	<u>104,793</u>	<u>30,680</u>	<u>(74,113)</u>
Expenditures				
Instruction				
Personnel Services	35,000	35,500	26,791	8,709
Employee Benefits	19,657	19,157	8,677	10,480
Professional & Tech Services	7,839	7,839	796	7,043
Other Purchased Services	17,927	9,527	796	8,731
Supplies	<u>2,862</u>	<u>29,740</u>	<u>24,399</u>	<u>5,341</u>
Total Instruction	<u>83,285</u>	<u>101,763</u>	<u>61,459</u>	<u>40,304</u>
Support Services-Students				
Supplies	<u>2,600</u>	<u>2,600</u>	<u>2,100</u>	<u>500</u>
Total Support Services-Students	<u>2,600</u>	<u>2,600</u>	<u>2,100</u>	<u>500</u>
Total Expenditures	<u>85,885</u>	<u>104,363</u>	<u>63,559</u>	<u>40,804</u>
Excess (Deficiency) of Revenues Over Expenditures	430	430	(32,879)	(33,309)
Cash Balance Beginning of Year	<u>(430)</u>	<u>(430)</u>	<u>(430)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (33,309)</u>	<u>\$ (33,309)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (32,879)	
Net Change in Due from Grantor			32,980	
Net Change in Deferred Revenue			(101)	
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
TATUM MUNICIPAL SCHOOLS
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2010

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>54,614</u>
Total Assets	\$ <u><u>54,614</u></u>
Liabilities	
Deposits Held for Others	\$ <u>54,614</u>
Total Liabilities	\$ <u><u>54,614</u></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 TATUM MUNICIPAL SCHOOL (School) ,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 School'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.

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

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

Fiduciary Fund Type

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

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

Major Funds

The District reports the following major governmental funds:

General Fund (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.

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.

Special Capital Outlay-State (31400). To account for resources received through House Bill 33 and local tax levies obtained for the financing, construction and remodeling of various school buildings.

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Debt Service Fund(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, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 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 provider's 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.

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 Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) 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 SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally 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 SBFAU.
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 SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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

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

Investments

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

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

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

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

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

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). 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.

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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	3-15 Years

Capital Leases

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

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

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

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

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.

Deferred Sick Leave

All 12-month or full time employees earn vacation and sick leave in amounts varying with tenure and classification. Employees cannot accumulate vacation leave.

The District's recognition and measurement criteria for deferred sick leave follow:

The District established a "deferred sick leave payment plan" for all its regular employees who qualify for sick leave. The purpose of the plan is to encourage wise conservative use of sick leave from all employees of the school. To be eligible, an employee must have been employed by the Tatum Municipal Schools for a minimum of ten (10) consecutive years on at least a half-time basis. The total days of unused sick leave (not to exceed one day for each month worked) is compiled at the end of each year and the respective employee will be credited based on the amount deducted for substitute pay in effect at the time the eligible employee terminates employment with the District.

Fired or dismissed employees by the District are not eligible for deferred sick leave benefit except in the case of required "reduction in force".

The present deferred sick leave payment rates are as follows:

Support Staff	50% of substitute pay	\$ 37.50
Certified Staff	50% of teacher substitute pay	\$ 45.00

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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.

Western Commerce Bank

<u>Name of Account</u>	Balance Per Bank 06/30/10	Reconciled Balance	<u>Type</u>
General	\$ 955,561	\$ 648,152	Checking
School Lunch	26,993	14,915	Checking
Athletics	5,964	5,605	Checking
Activity	43,116	41,314	Checking
TOTAL Deposited	<u>1,031,634</u>	<u>\$ 709,986</u>	
Less: FDIC Coverage	<u>(1,031,634)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	707,811		
Over (Under) requirement	<u>\$ 707,811</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **Western Commerce Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLMC #420175	31346AFQ3	\$ 39,320	3/1/2019	FHLB Dallas, TX
FHLMC ARM #420088 7001264	31346ACZ6	8,232	8/1/2016	FHLB Dallas, TX
GNMA #8390	36202KKB0	15,261	8/20/2018	FHLB Dallas, TX
GNMA #8324	36202KG90	21,333	11/20/2023	FHLB Dallas, TX
GNMA #80643	36225CWD4	33,335	10/20/2032	FHLB Dallas, TX
GNMA #80500	36225CRW8	71,941	3/20/2031	FHLB Dallas, TX
GNMA #80515	36225CSD9	12,106	5/20/2031	FHLB Dallas, TX
FNMA #604975	31388HCL1	506,283	9/1/2031	FHLB Dallas, TX
		<u>\$ 707,811</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 1,031,634
Collateralized:	
Collateral held by the pledging bank in District's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 1,031,634</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, 2010 none of the District's bank balance of \$1,031,634, was exposed to custodial credit risk.

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June 30, 2010

New Mexico State Treasurer			
Name of Account	Balance Per Bank 6/30/10	Reconciled Balance	Type
Tatum Municipal School	\$ 8,965	\$ 8,965	Savings
TMS Reserve Contingencies	35	35	Savings
Tatum Municipal School	13,255	13,255	Savings
TMS Reserve Contingencies	51	51	Savings
Tatum Municipal School	99,615	99,615	Savings
TMS Reserve Contingencies	386	386	Savings
Tatum Municipal School	196,185	196,185	Savings
TMS Reserve Contingencies	887	887	Savings
Tatum Municipal School	149,422	149,422	Savings
TMS Reserve Contingencies	578	578	Savings
Tatum Municipal School	113,088	113,088	Savings
TMS Reserve Contingencies	1,212	1,212	Savings
TMS LGIP Pool 4101	46,809	46,809	Savings
TMS Reserve Contingencies	181	181	Savings
TOTAL Deposited	<u>\$ 630,668</u>	<u>\$ 630,668</u>	

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However, our portfolio is posted on the State Treasurer's website www.stonm.org and available for review by participants at any time.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.stonm.org. As of June 30, 2010, the LGIP WAM is 50 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

STATE OF NEW MEXICO
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Notes to the Financial Statements
June 30, 2010

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds			Total
	Title I 24101	Special Capital Outlay State 31400	Other Governmental Funds	
General Fund	\$ 33,309	\$ 50,000	\$ 45,555	\$ 128,864
Totals	\$ 33,309	\$ 50,000	\$ 45,555	\$ 128,864

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 D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2010:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Total
Property Taxes Receivable:				
Available	\$ 3,491	\$ 14,161	\$ 23,845	\$ 41,497
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	\$ 3,491	\$ 14,161	\$ 23,845	\$ 41,497

NOTE E: DUE FROM GRANTOR

Amounts due from other agencies and units of government were as follows as of June 30, 2010:

Federal Agencies	\$ 63,596
State Agencies	73,668
Total	\$ 137,264

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2010

NOTE F: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2010, is as follows:

	Balance 6/30/09	Increases	Adjustments/ Decreases	Balance 6/30/10
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 819,961	\$ 0	\$ 0	\$ 819,961
Construction in Progress	0	25,788	0	25,788
Total Capital Assets, not being Depreciated	<u>819,961</u>	<u>25,788</u>	<u>0</u>	<u>845,749</u>
Capital Assets, being Depreciated				
Buildings & Improvements	12,933,904	26,701	0	12,960,605
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,243,130</u>	<u>161,436</u>	<u>0</u>	<u>2,404,566</u>
Total Capital Assets, being Depreciated	<u>15,177,034</u>	<u>188,137</u>	<u>0</u>	<u>15,365,171</u>
Total Capital Assets	<u>15,996,995</u>	<u>213,925</u>	<u>0</u>	<u>16,210,920</u>
Less Accumulated Depreciation				
Buildings & Improvements	7,157,943	487,076	0	7,645,019
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,337,455</u>	<u>108,401</u>	<u>0</u>	<u>1,445,856</u>
Total Accumulated Depreciation	<u>8,495,398</u>	<u>595,477</u>	<u>0</u>	<u>9,090,875</u>
Capital Assets, net	<u>\$ 7,501,597</u>	<u>\$ (381,552)</u>	<u>\$ 0</u>	<u>\$ 7,120,045</u>

NOTE G: LONG TERM DEBT

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

	Balance 6/30/09	Additions	Reductions/ Adjustment	Balance 6/30/10	Amounts Due Within One Year
Governmental Activities					
General Obligation					
Bonds	\$ 2,225,000	\$ 0	\$ 345,000	\$ 1,880,000	\$ 355,000
Total Bonds	<u>2,225,000</u>	<u>0</u>	<u>345,000</u>	<u>1,880,000</u>	<u>355,000</u>
Other Liabilities					
Compensated Absences					
	<u>44,891</u>	<u>6,525</u>	<u>6,033</u>	<u>45,383</u>	<u>45,383</u>
Total Other Liabilities	<u>44,891</u>	<u>6,525</u>	<u>6,033</u>	<u>45,383</u>	<u>45,383</u>
Long-Term Liabilities	<u>\$ 2,269,891</u>	<u>\$ 6,525</u>	<u>\$ 351,033</u>	<u>\$ 1,925,383</u>	<u>\$ 400,383</u>

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2010

Payments on the general obligation bonds are made by the Debt Service Funds. Compensated Absences are paid out of the General Fund.

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
2004	05-21-04	3,500,000	1.15%-3.52%	\$ 1,880,000
				\$ 1,880,000

The annual requirements to amortize the 2004 Series general obligation bonds as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 355,000	54,763	\$ 409,763
2012	365,000	44,514	409,514
2013	375,000	33,113	408,113
2014	385,000	20,606	405,606
2015	400,000	7,040	407,040
	\$ 1,880,000	\$ 160,036	\$ 2,040,036

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

Reconciliation of Notes to the Government Wide Statements

Outstanding Bonds and Loans in Notes	\$ 2,225,000
Net Issue Costs/Premium/Discounts on Bond Issues	(12,557)
	\$ 2,212,443

Government Wide Statements

Amount Reported as Current Amount Due	\$ 345,000
Amount Reported as Long-Term Due	1,867,443
Statement of Net Assets	\$ 2,212,443

NOTE H: COMMITMENTS

They have various construction jobs at all campuses for maintenance and improvements.

NOTE I: PENSION PLAN

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

Effective July 1, 2009, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9% of the gross covered salary. 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, 2010, 2009, and 2008, were \$407,990, \$416,416 and \$309,504 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE J: 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, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

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

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

The District's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$36,919, \$34,787 and \$32,290 respectively, which equal the required contributions for each year.

NOTE K: 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 L: 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 M: 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 N: JOINT POWERS AGREEMENT

Tatum Municipal Schools is part of a joint powers agreement with the Lea Regional Education Cooperation # 7 (REC). The REC administers the following programs listed below for the District. The financial statements for these funds have been prepared separately and are available at the REC.

The agreement is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The expenditures were \$85,280. The revenues and expenditures are reported as the following special revenue funds:

24106/27200	IDEA, Part B
24109	IDEA Preschool

The REC is responsible for their audit. The information is available at the Lea Regional Education Cooperation, 315 East Clinton, Hobbs, New Mexico 88240.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 41,240	\$ 141,240	\$ 0	\$ (141,240)
Total Revenues	<u>41,240</u>	<u>141,240</u>	<u>0</u>	<u>(141,240)</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	100,000	8,760	91,240
Total Capital Outlay	<u>0</u>	<u>100,000</u>	<u>8,760</u>	<u>91,240</u>
Total Expenditures	<u>0</u>	<u>100,000</u>	<u>8,760</u>	<u>91,240</u>
Excess (Deficiency) of Revenues Over Expenditures	41,240	41,240	(8,760)	(50,000)
Cash Balance Beginning of Year	<u>(41,240)</u>	<u>(41,240)</u>	<u>(41,240)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,760)	
Net Change in Due from Grantor			<u>8,760</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
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 316,283	\$ 269,208	\$ 269,208	\$ 0
Interest Income	0	340	340	0
Other	0	40,000	40,000	0
Total Revenues	<u>316,283</u>	<u>309,548</u>	<u>309,548</u>	<u>0</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	500	875	858	17
Total Support Services-General Administration	<u>500</u>	<u>875</u>	<u>858</u>	<u>17</u>
Capital Outlay				
Building Improvements	300,000	303,238	142,304	160,934
Software	50,000	50,000	24,867	25,133
Supplies	75,000	75,000	42,481	32,519
Land Improvements	0	4,000	2,439	1,561
Fixed Assets	75,000	73,350	10,543	62,807
Supply Assets	45,783	50,183	44,388	5,795
Total Capital Outlay	<u>545,783</u>	<u>555,771</u>	<u>267,022</u>	<u>288,749</u>
Total Expenditures	<u>546,283</u>	<u>556,646</u>	<u>267,880</u>	<u>288,766</u>
Excess (Deficiency) of Revenues Over Expenditures	(230,000)	(247,098)	41,668	288,766
Cash Balance Beginning of Year	<u>191,217</u>	<u>191,217</u>	<u>191,217</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (38,783)</u>	<u>\$ (55,881)</u>	<u>\$ 232,885</u>	<u>\$ 288,766</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 41,668	
Net Change in Interest Receivable			(22)	
Net Change in Taxes Receivable			1,464	
Net Change in Accounts Payable			(19,266)	
Net Change in Deferred Revenue			4,364	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 28,208</u>	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 408,835	\$ 402,597	\$ 402,597	\$ 0
Interest Income	5,300	450	450	0
Total Revenues	<u>414,135</u>	<u>403,047</u>	<u>403,047</u>	<u>0</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	1,145	1,145	1,414	(269)
Total Support Services-General Administration	<u>1,145</u>	<u>1,145</u>	<u>1,414</u>	<u>(269)</u>
Debt Service				
Principal	245,000	345,000	345,000	0
Interest	63,835	83,835	63,804	20,031
Total Debt Service	<u>308,835</u>	<u>428,835</u>	<u>408,804</u>	<u>20,031</u>
Total Expenditures	<u>309,980</u>	<u>429,980</u>	<u>410,218</u>	<u>19,762</u>
Excess (Deficiency) of Revenues Over Expenditures	104,155	(26,933)	(7,171)	19,762
Cash Balance Beginning of Year	<u>436,539</u>	<u>436,539</u>	<u>436,539</u>	<u>0</u>
Cash Balance End of Year	\$ <u>540,694</u>	\$ <u>409,606</u>	\$ <u>429,368</u>	\$ <u>19,762</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,171)	
Net Change in Interest Receivable			(53)	
Net Change in Taxes Receivable			10,006	
Net Change in Deferred Revenue			6,197	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>8,979</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 Part 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 Part 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.

Title III-English Language Acquisition (24153). To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

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

NONMAJOR SPECIAL REVENUE FUNDS

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 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.

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

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

Maddox (26109). To account for funds received from a private grant to provide students an opportunity to further their knowledge of and received training in selected career related studies of math, science, computer science, and engineering. The fund was created by state grant requirements.

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.

2008 GO Library Bonds (27105). To account for revenues and expenditures from a state grant to provide for public school libraries. Funding provided by the State of New Mexico.

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

Incentives for School Improvement (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

Pre K (27149). To account for revenues and expenditures from a state grant provided for the running of the Pre K program.. The fund was created by state grant provisions.

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades six through eight. The fund was created by state grant provisions.

NONMAJOR SPECIAL REVENUE FUNDS

Breakfast for Elementary Students (27155). To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

Technology Equity (27162). To account for revenues and expenditures from a state grant for the school. The funding made available to update wiring and other items related to the infrastructure of the school. The fund was created by state grant provisions.

Outdoor Classroom Initiative (27165). To account for funds received from the Rural Education Bureau created by the 2007 State Legislation to establish funding of any costs associated with the teaching of classroom curriculum outdoors. Funding provided by the State of New Mexico (NMSA 22-13 A-1).

SB 301 GO Bond (27170). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

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

Making School Work Outdoors (27504). To account for revenues and expenditures from a state grant to increase outdoor education across the state. The fund was created by state grant provisions.

Library Books (27549). To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

NONMAJOR CAPITAL PROJECTS FUNDS

Special Capital Outlay-Local (31300). To account for local resources for the use of construction and remodeling of various school buildings.

NONMAJOR DEBT SERVICE FUND

DEBT SERVICE-Deferred Sick Leave (42000). To account for the transfers from other funds. The expenditures are restricted to paying terminated employees their sick leave.

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA, Part B Entitlement 24106
ASSETS			
Cash and Cash Equivalents	\$ 14,915	\$ 14,605	\$ 0
Receivables			
Interest	0	12	0
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	1,950	0	0
Total Assets	\$ 16,865	\$ 14,617	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for:			
Inventory	1,950	0	0
Special Revenue Funds	14,915	14,617	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	16,865	14,617	0
Total Liabilities and Fund Balance	\$ 16,865	\$ 14,617	\$ 0

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	IDEA, Part B Discretionary 24107	IDEA Preschool 24109	Title III English Language Acquisition 24153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	6,421
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 6,421
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 6,421
Payables	0	0	0
Total Liabilities	0	0	6,421
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 6,421

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Title II Teacher/Principal Training & Recruiting 24154	Title IV Drug Free School & Community 24157	Title I Recovery Act 24201
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	1,304	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 1,304</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 1,304	\$ 0
Payables	0	0	0
Total Liabilities	<u>0</u>	<u>1,304</u>	<u>0</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,304</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	IDEA B Recovery Act 24206	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	1,183	13,659
Inventory	0	0	0
Total Assets	\$ 0	\$ 1,183	\$ 13,659
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 1,183	\$ 12,979
Payables	0	0	680
Total Liabilities	0	1,183	13,659
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 1,183	\$ 13,659

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Maddox 26109	Duel Credit 27103	Library GO Bond 27105
ASSETS			
Cash and Cash Equivalents	\$ 6,576	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	2,613	7,689
Inventory	0	0	0
Total Assets	\$ 6,576	\$ 2,613	\$ 7,689
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 2,613	\$ 7,689
Payables	0	0	0
Total Liabilities	0	2,613	7,689
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	6,576	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	6,576	0	0
Total Liabilities and Fund Balance	\$ 6,576	\$ 2,613	\$ 7,689

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Technology for Education <u>27117</u>	Incentives for School Improvement <u>27138</u>	Pre K <u>27149</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,815	\$ 241	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	13,366
Inventory	0	0	0
Total Assets	<u>\$ 2,815</u>	<u>\$ 241</u>	<u>\$ 13,366</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 13,366
Payables	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>13,366</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	2,815	241	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>2,815</u>	<u>241</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,815</u>	<u>\$ 241</u>	<u>\$ 13,366</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Beginning Teacher Mentoring <u>27154</u>	Breakfast for Elementary Students <u>27155</u>	Technology Equity <u>27162</u>
ASSETS			
Cash and Cash Equivalents	\$ 589	\$ 0	0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 589</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	589	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>589</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 589</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		
	Outdoor Classroom Initiative <u>27165</u>	SB 301 GO Bond <u>27170</u>	State Directed Activities <u>27200</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
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
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	Special Revenue		Capital Projects
	Making Schools Work Outdoors 27504	Library Books 27549	Special Capital Outlay Local 31300
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 89	\$ 102,074
Receivables			
Interest	0	0	15
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 89</u>	<u>\$ 102,089</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for:			
Inventory	0	0	0
Special Revenue Funds	0	89	0
Capital Projects	0	0	102,089
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>89</u>	<u>102,089</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 89</u>	<u>\$ 102,089</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2010

	<u>Debt Service</u>	
	Deferred Leave 42000	Total
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 48,141	\$ 190,045
Receivables		
Interest	7	34
Property Taxes	0	0
Due From Grantor	0	46,235
Inventory	0	1,950
Total Assets	<u>\$ 48,148</u>	<u>\$ 238,264</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 0	\$ 45,555
Payables	<u>0</u>	<u>680</u>
Total Liabilities	<u>0</u>	<u>46,235</u>
Fund Balance		
Reserved for:		
Inventory	0	1,950
Special Revenue Funds	0	39,842
Capital Projects	0	102,089
Debt Service	<u>48,148</u>	<u>48,148</u>
Total Fund Balance	<u>48,148</u>	<u>192,029</u>
Total Liabilities and Fund Balance	<u>\$ 48,148</u>	<u>\$ 238,264</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA, Part B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	32	26	0
Fees	30,808	24,261	0
State and Local Grants	0	0	0
Federal Grants	96,357	0	53,034
Miscellaneous	0	0	0
Total Revenues	<u>127,197</u>	<u>24,287</u>	<u>53,034</u>
Expenditures			
Current			
Instruction	0	22,281	53,034
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	135,043	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>135,043</u>	<u>22,281</u>	<u>53,034</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,846)	2,006	0
Fund Balances at Beginning of Year	<u>24,711</u>	<u>12,611</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 16,865</u>	<u>\$ 14,617</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	IDEA, Part B Discretionary 24107	IDEA Preschool 24109	Title III English Language Acquisition 24153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	14,790	10,480
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>14,790</u>	<u>10,480</u>
Expenditures			
Current			
Instruction	0	14,790	6,421
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	4,059
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>14,790</u>	<u>10,480</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
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Title II Teacher/Principal Training & Recruiting 24154	Title IV Drug Free School & Community 24157	Title I Recovery Act 24201
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	3,980	2,545	14,054
Miscellaneous	0	0	0
Total Revenues	<u>3,980</u>	<u>2,545</u>	<u>14,054</u>
Expenditures			
Current			
Instruction	3,980	0	13,455
Support Services-Students	0	2,545	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	599
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,980</u>	<u>2,545</u>	<u>14,054</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
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	IDEA B Recovery Act 24206	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	22,036	12,961	253,216
Miscellaneous	0	0	0
Total Revenues	<u>22,036</u>	<u>12,961</u>	<u>253,216</u>
Expenditures			
Current			
Instruction	0	12,861	253,216
Support Services-Students	22,036	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	100	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>22,036</u>	<u>12,961</u>	<u>253,216</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
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Maddox 26109	Duel Credit 27103	Library GO Bond 27105
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	9,832	7,689
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>9,832</u>	<u>7,689</u>
Expenditures			
Current			
Instruction	0	9,832	7,689
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>9,832</u>	<u>7,689</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>6,576</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,576</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Technology for Education 27117	Incentives for School Improvement 27138	Pre K 27149
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	2,090	0	27,050
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>2,090</u>	<u>0</u>	<u>27,050</u>
Expenditures			
Current			
Instruction	711	779	27,050
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>711</u>	<u>779</u>	<u>27,050</u>
Excess (Deficiency) of Revenues Over Expenditures	1,379	(779)	0
Fund Balances at Beginning of Year	<u>1,436</u>	<u>1,020</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 2,815</u>	<u>\$ 241</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Beginning Teacher Mentoring 27154	Breakfast for Elementary Students 27155	Technology Equity 27162
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	1,068	5,033	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>1,068</u>	<u>5,033</u>	<u>0</u>
Expenditures			
Current			
Instruction	668	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	5,033	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>668</u>	<u>5,033</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	400	0	0
Fund Balances at Beginning of Year	<u>189</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 589</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Outdoor Classroom Initiative 27165	SB 301 GO Bond 27170	State Directed Activities 27200
	27165	27170	27200
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	17,456
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>17,456</u>
Expenditures			
Current			
Instruction	0	0	5,292
Support Services-Students	0	43	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	12,164
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>43</u>	<u>17,456</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(43)	0
Fund Balances at Beginning of Year	<u>0</u>	<u>43</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
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		Capital Projects
	Making Schools Work Outdoors 27504	Library Books 27549	Special Capital Outlay Local 31300
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	163
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>163</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	850	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>850</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(850)	163
Fund Balances at Beginning of Year	<u>0</u>	<u>939</u>	<u>101,926</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 89</u>	<u>\$ 102,089</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	<u>Debt Service</u>	
	Deferred Leave 42000	Total
Revenues		
Property Taxes	\$ 0	\$ 0
Interest Income	76	297
Fees	0	55,069
State and Local Grants	0	52,762
Federal Grants	0	500,909
Miscellaneous	0	0
Total Revenues	<u>76</u>	<u>609,037</u>
Expenditures		
Current		
Instruction	0	432,059
Support Services-Students	0	25,474
Support Services-Instruction	0	0
Support Services-General Administration	0	16,323
Support Services-School Administration	0	599
Operation & Maintenance of Plant	0	0
Food Service	0	140,076
Capital Outlay	0	0
Debt Service		
Principal	0	0
Interest	0	0
Total Expenditures	<u>0</u>	<u>614,531</u>
Excess (Deficiency) of Revenues Over Expenditures	76	(5,494)
Fund Balances at Beginning of Year	<u>48,072</u>	<u>197,523</u>
Fund Balance End of Year	<u>\$ 48,148</u>	<u>\$ 192,029</u>

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 40	\$ 32	\$ 32	\$ 0
Fees	43,000	30,808	30,808	0
Federal Grant	80,000	93,731	93,731	0
Total Revenues	<u>123,040</u>	<u>124,571</u>	<u>124,571</u>	<u>0</u>
Expenditures				
Food Service				
Personnel Services	47,134	51,134	48,773	2,361
Employee Benefits	30,440	38,352	35,063	3,289
Other Purchased Services	350	350	132	218
Supplies	50,718	49,832	42,317	7,515
Total Food Service	<u>128,642</u>	<u>139,668</u>	<u>126,285</u>	<u>13,383</u>
Total Expenditures	<u>128,642</u>	<u>139,668</u>	<u>126,285</u>	<u>13,383</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,602)	(15,097)	(1,714)	13,383
Cash Balance Beginning of Year	<u>16,629</u>	<u>16,629</u>	<u>16,629</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,027</u>	<u>\$ 1,532</u>	<u>\$ 14,915</u>	<u>\$ 13,383</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,714)	
Net Change in Receivable from Grantor			(6,825)	
Net Change in Inventory			693	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,846)</u>	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 18,000	\$ 24,253	\$ 24,253	\$ 0
Interest Income	160	26	26	0
Total Revenues	<u>18,160</u>	<u>24,279</u>	<u>24,279</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech Services	1,000	6,000	5,511	489
Other Purchased Services	23,600	23,600	16,769	6,831
Property	6,166	1,233	0	1,233
Total Instruction	<u>30,766</u>	<u>30,833</u>	<u>22,280</u>	<u>8,553</u>
Total Expenditures	<u>30,766</u>	<u>30,833</u>	<u>22,280</u>	<u>8,553</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,606)	(6,554)	1,999	8,553
Cash Balance Beginning of Year	<u>12,606</u>	<u>12,606</u>	<u>12,606</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 6,052</u>	<u>\$ 14,605</u>	<u>\$ 8,553</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,999	
Net Change in Interest Receivable			7	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,006</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 19,138	\$ 90,168	\$ 72,171	\$ (17,997)
Total Revenues	<u>19,138</u>	<u>90,168</u>	<u>72,171</u>	<u>(17,997)</u>
Expenditures				
Instruction				
Personnel Services	0	45,800	39,026	6,774
Employee Benefits	0	25,230	14,007	11,223
Total Instruction	<u>0</u>	<u>71,030</u>	<u>53,033</u>	<u>17,997</u>
Support Services-General Administration				
Other Purchased Services	0	0	0	0
Total Support Services-General Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>71,030</u>	<u>53,033</u>	<u>17,997</u>
Excess (Deficiency) of Revenues Over Expenditures	19,138	19,138	19,138	0
Cash Balance Beginning of Year	<u>(19,138)</u>	<u>(19,138)</u>	<u>(19,138)</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			\$ 19,138	
Net Change in Due from Grantor			<u>(19,138)</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
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,365	\$ 1,365	\$ 1,365	\$ 0
Total Revenues	<u>1,365</u>	<u>1,365</u>	<u>1,365</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	1,365	1,365	1,365	0
Cash Balance Beginning of Year	<u>(1,365)</u>	<u>(1,365)</u>	<u>(1,365)</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			\$ 1,365	
Net Change in Due from Grantor			<u>(1,365)</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 15,936	\$ 14,790	\$ (1,146)
Total Revenues	<u>0</u>	<u>15,936</u>	<u>14,790</u>	<u>(1,146)</u>
Expenditures				
Instruction				
Personnel Services	0	11,851	11,083	768
Employee Benefits	<u>0</u>	<u>4,085</u>	<u>3,707</u>	<u>378</u>
Total Instruction	<u>0</u>	<u>15,936</u>	<u>14,790</u>	<u>1,146</u>
Total Expenditures	<u>0</u>	<u>15,936</u>	<u>14,790</u>	<u>1,146</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE III ENGLISH LANGUAGE ACQUISITION-24153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 3,100	\$ 11,259	\$ 4,059	\$ (7,200)
Total Revenues	<u>3,100</u>	<u>11,259</u>	<u>4,059</u>	<u>(7,200)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	750	621	129
Supply Assets	0	6,450	5,800	650
Total Support Services-Instruction	<u>0</u>	<u>7,200</u>	<u>6,421</u>	<u>779</u>
Support Services-General Administration				
Other Purchased Services	3,100	4,059	4,059	0
Total Support Services-General Administration	<u>3,100</u>	<u>4,059</u>	<u>4,059</u>	<u>0</u>
Total Expenditures	<u>3,100</u>	<u>11,259</u>	<u>10,480</u>	<u>779</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(6,421)	(6,421)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,421)</u>	<u>\$ (6,421)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,421)	
Net Change in Due from Grantor			6,421	
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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING & RECRUITING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 10,926	\$ 10,926	\$ 3,980	\$ (6,946)
Total Revenues	<u>10,926</u>	<u>10,926</u>	<u>3,980</u>	<u>(6,946)</u>
Expenditures				
Instruction				
Personnel Services	9,877	9,937	3,200	6,737
Employee Benefits	<u>975</u>	<u>915</u>	<u>780</u>	<u>135</u>
Total Instruction	<u>10,852</u>	<u>10,852</u>	<u>3,980</u>	<u>6,872</u>
Support Services-General Administration				
Other Purchased Services	<u>74</u>	<u>74</u>	<u>0</u>	<u>74</u>
Total Support Services-General Administration	<u>74</u>	<u>74</u>	<u>0</u>	<u>74</u>
Total Expenditures	<u>10,926</u>	<u>10,926</u>	<u>3,980</u>	<u>6,946</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-DRUG FREE SCHOOL & COMMUNITY-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,241	\$ 2,545	\$ 1,241	\$ (1,304)
Total Revenues	<u>1,241</u>	<u>2,545</u>	<u>1,241</u>	<u>(1,304)</u>
Expenditures				
Support Services-Students				
Personnel Services	1,241	2,545	2,545	0
Total Support Services-Students	<u>1,241</u>	<u>2,545</u>	<u>2,545</u>	<u>0</u>
Total Expenditures	<u>1,241</u>	<u>2,545</u>	<u>2,545</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,304)	(1,304)
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>\$ (1,304)</u>	<u>\$ (1,304)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,304)	
Net Change in Due from Grantor			<u>1,304</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
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 52,424	\$ 54,514	\$ 39,078	\$ (15,436)
Total Revenues	<u>52,424</u>	<u>54,514</u>	<u>39,078</u>	<u>(15,436)</u>
Expenditures				
Instruction				
Personnel Services	12,843	12,343	10,250	2,093
Employee Benefits	2,022	2,522	2,028	494
Professional & Tech Services	8,198	8,198	500	7,698
Supplies	2,000	4,090	677	3,413
Total Instruction	<u>25,063</u>	<u>27,153</u>	<u>13,455</u>	<u>13,698</u>
Support Services-School Administration				
Personnel Services	2,000	2,000	500	1,500
Other Purchased Services	337	337	99	238
Total Support Services-School Administration	<u>2,337</u>	<u>2,337</u>	<u>599</u>	<u>1,738</u>
Total Expenditures	<u>27,400</u>	<u>29,490</u>	<u>14,054</u>	<u>15,436</u>
Excess (Deficiency) of Revenues Over Expenditures	25,024	25,024	25,024	0
Cash Balance Beginning of Year	<u>(25,024)</u>	<u>(25,024)</u>	<u>(25,024)</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			\$ 25,024	
Net Change in Due From Grantor			<u>(25,024)</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 42,240	\$ 22,036	\$ (20,204)
Total Revenues	<u>0</u>	<u>42,240</u>	<u>22,036</u>	<u>(20,204)</u>
Expenditures				
Support Services-Students				
Personnel Services	0	21,348	18,282	3,066
Employee Benefits	0	16,481	3,754	12,727
Other Purchased Services	0	4,411	0	4,411
Total Support Services-Students	<u>0</u>	<u>42,240</u>	<u>22,036</u>	<u>20,204</u>
Total Expenditures	<u>0</u>	<u>42,240</u>	<u>22,036</u>	<u>20,204</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 6,761	\$ 50,441	\$ 18,539	\$ (31,902)
Total Revenues	<u>6,761</u>	<u>50,441</u>	<u>18,539</u>	<u>(31,902)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	8,440	8,440	0
Other Purchased Services	0	3,983	3,962	21
Supplies	0	14,757	160	14,597
Supply Assets	0	10,000	299	9,701
Total Instruction	<u>0</u>	<u>37,180</u>	<u>12,861</u>	<u>24,319</u>
Support Services-General Administration				
Supplies	0	6,500	100	6,400
Total Support Services-General Administration	<u>0</u>	<u>6,500</u>	<u>100</u>	<u>6,400</u>
Total Expenditures	<u>0</u>	<u>43,680</u>	<u>12,961</u>	<u>30,719</u>
Excess (Deficiency) of Revenues Over Expenditures	6,761	6,761	5,578	(1,183)
Cash Balance Beginning of Year	<u>(6,761)</u>	<u>(6,761)</u>	<u>(6,761)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,183)</u>	<u>\$ (1,183)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,578	
Net Change in Due From Grantor			<u>(5,578)</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE FISCAL STABILIZATION PROGRAM FUND-25250
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 216,240	\$ 273,414	\$ 239,556	\$ (33,858)
Total Revenues	<u>216,240</u>	<u>273,414</u>	<u>239,556</u>	<u>(33,858)</u>
Expenditures				
Instruction				
Personnel Services	130,390	180,397	161,351	19,046
Employee Benefits	44,704	60,295	60,185	110
Professional & Tech Services	0	22,429	22,429	0
Supplies	0	6,868	5,146	1,722
Supply Assets	41,146	3,425	3,424	1
Total Instruction	<u>216,240</u>	<u>273,414</u>	<u>252,535</u>	<u>20,879</u>
Total Expenditures	<u>216,240</u>	<u>273,414</u>	<u>252,535</u>	<u>20,879</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(12,979)	(12,979)
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>\$ (12,979)</u>	<u>\$ (12,979)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12,979)	
Net Change in Due From Grantor			13,659	
Net Change in Accounts Payable			(680)	
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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MADDOX-26109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>6,576</u>	<u>6,576</u>	<u>6,576</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,576</u>	<u>\$ 6,576</u>	<u>\$ 6,576</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
TATUM 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 15,000	\$ 7,219	\$ (7,781)
Total Revenues	<u>0</u>	<u>15,000</u>	<u>7,219</u>	<u>(7,781)</u>
Expenditures				
Instruction				
Supplies	0	15,000	9,832	5,168
Total Instruction	<u>0</u>	<u>15,000</u>	<u>9,832</u>	<u>5,168</u>
Total Expenditures	<u>0</u>	<u>15,000</u>	<u>9,832</u>	<u>5,168</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,613)	(2,613)
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>\$ (2,613)</u>	<u>\$ (2,613)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,613)	
Net Change in Due From Grantor			<u>2,613</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-2008 LIBRARY GO BONDS-27105
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 9,462	\$ 0	\$ (9,462)
Total Revenues	<u>0</u>	<u>9,462</u>	<u>0</u>	<u>(9,462)</u>
Expenditures				
Instruction				
Supplies	0	8,962	7,365	1,597
Supply Assets	<u>0</u>	<u>500</u>	<u>324</u>	<u>176</u>
Total Instruction	<u>0</u>	<u>9,462</u>	<u>7,689</u>	<u>1,773</u>
Total Expenditures	<u>0</u>	<u>9,462</u>	<u>7,689</u>	<u>1,773</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(7,689)	(7,689)
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>\$ (7,689)</u>	<u>\$ (7,689)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,689)	
Net Change in Due from Grantor			<u>7,689</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECH FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 4,526	\$ 2,090	\$ (2,436)
Total Revenues	<u>0</u>	<u>4,526</u>	<u>2,090</u>	<u>(2,436)</u>
Expenditures				
Instruction				
Supplies	0	5,962	407	5,555
Supply Assets	<u>0</u>	<u>0</u>	<u>304</u>	<u>(304)</u>
Total Instruction	<u>0</u>	<u>5,962</u>	<u>711</u>	<u>5,251</u>
Total Expenditures	<u>0</u>	<u>5,962</u>	<u>711</u>	<u>5,251</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,436)	1,379	2,815
Cash Balance Beginning of Year	<u>1,436</u>	<u>1,436</u>	<u>1,436</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,436</u>	<u>\$ 0</u>	<u>\$ 2,815</u>	<u>\$ 2,815</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,379</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,379</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	520	479	41
Supplies	<u>0</u>	<u>500</u>	<u>300</u>	<u>200</u>
Total Instruction	<u>0</u>	<u>1,020</u>	<u>779</u>	<u>241</u>
Total Expenditures	<u>0</u>	<u>1,020</u>	<u>779</u>	<u>241</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,020)	(779)	241
Cash Balance Beginning of Year	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,020</u>	<u>\$ 0</u>	<u>\$ 241</u>	<u>\$ 241</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(779)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(779)</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-PRE K-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 13,366	\$ 40,416	\$ 27,050	\$ (13,366)
Total Revenues	<u>13,366</u>	<u>40,416</u>	<u>27,050</u>	<u>(13,366)</u>
Expenditures				
Instruction				
Personnel Services	0	20,019	20,019	0
Employee Benefits	<u>0</u>	<u>7,031</u>	<u>7,031</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>27,050</u>	<u>27,050</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>27,050</u>	<u>27,050</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	13,366	13,366	0	(13,366)
Cash Balance Beginning of Year	<u>(13,366)</u>	<u>(13,366)</u>	<u>(13,366)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,366)</u>	<u>\$ (13,366)</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.

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 879	\$ 1,068	\$ 189
Total Revenues	<u>0</u>	<u>879</u>	<u>1,068</u>	<u>189</u>
Expenditures				
Instruction				
Personnel Services	0	500	500	0
Employee Benefits	0	205	168	37
Professional & Tech Services	0	363	0	363
Total Instruction	<u>0</u>	<u>1,068</u>	<u>668</u>	<u>400</u>
Total Expenditures	<u>0</u>	<u>1,068</u>	<u>668</u>	<u>400</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(189)	400	589
Cash Balance Beginning of Year	<u>189</u>	<u>189</u>	<u>189</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 189</u>	<u>\$ 0</u>	<u>\$ 589</u>	<u>\$ 589</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 400	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 400	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY STUDENTS-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 5,033	\$ 5,033	\$ 0
Total Revenues	<u>0</u>	<u>5,033</u>	<u>5,033</u>	<u>0</u>
Expenditures				
Food Services				
Supplies	0	5,033	5,033	0
Total Food Services	<u>0</u>	<u>5,033</u>	<u>5,033</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>5,033</u>	<u>5,033</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY EQUITY-27162
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 20,996	\$ 20,996	\$ 20,996	\$ 0
Total Revenues	<u>20,996</u>	<u>20,996</u>	<u>20,996</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-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	20,996	20,996	20,996	0
Cash Balance Beginning of Year	<u>(20,996)</u>	<u>(20,996)</u>	<u>(20,996)</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			\$ 20,996	
Net Change in Due From Grantor			<u>(20,996)</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ELEMENTARY BREAKFAST-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,119	\$ 1,119	\$ 1,119	\$ 0
Total Revenues	<u>1,119</u>	<u>1,119</u>	<u>1,119</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supply Assets	0	0	0	0
Total Support Services-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	1,119	1,119	1,119	0
Cash Balance Beginning of Year	<u>(1,119)</u>	<u>(1,119)</u>	<u>(1,119)</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			\$ 1,119	
Net Change in Due From Grantor			<u>(1,119)</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	43	43	43	0
Total Support Services-Instruction	<u>43</u>	<u>43</u>	<u>43</u>	<u>0</u>
Total Expenditures	<u>43</u>	<u>43</u>	<u>43</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(43)	(43)	(43)	0
Cash Balance Beginning of Year	<u>43</u>	<u>43</u>	<u>43</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			\$ (43)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (43)</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 17,456	\$ 17,456	\$ 0
Total Revenues	<u>0</u>	<u>17,456</u>	<u>17,456</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	0	4,391	4,391	0
Employee Benefits		901	901	0
Total Support Services-Students	<u>0</u>	<u>5,292</u>	<u>5,292</u>	<u>0</u>
Support Services-Instruction				
Personnel Services	0	9,366	9,366	0
Employee Benefits	0	2,798	2,798	0
Total Support Services-Instruction	<u>0</u>	<u>12,164</u>	<u>12,164</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>17,456</u>	<u>17,456</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NM OUTDOOR CLASSROOM-27504
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,000	\$ 1,000	\$ 1,000	\$ 0
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,000</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>
Excess (Deficiency) of Revenues Over Expenditures	1,000	1,000	1,000	0
Cash Balance Beginning of Year	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</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			\$ 1,000	
Net Change in Due from Grantor			<u>(1,000)</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
TATUM MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARY BOOK FUND-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	939	939	850	89
Total Support Services-	<u>939</u>	<u>939</u>	<u>850</u>	<u>89</u>
Total Expenditures	<u>939</u>	<u>939</u>	<u>850</u>	<u>89</u>
Excess (Deficiency) of Revenues Over Expenditures	(939)	(939)	(850)	89
Cash Balance Beginning of Year	<u>939</u>	<u>939</u>	<u>939</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>89</u>	\$ <u>89</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(850)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(850)</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY-LOCAL-31300
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 170	\$ 170
Total Revenues	<u>0</u>	<u>0</u>	<u>170</u>	<u>170</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	0	0	0	0
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	170	170
Cash Balance Beginning of Year	<u>101,904</u>	<u>101,904</u>	<u>101,904</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 101,904</u>	<u>\$ 101,904</u>	<u>\$ 102,074</u>	<u>\$ 170</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 170	
Net Change in Interest Receivable			<u>(7)</u>	
Net Change in Fund Balance			<u>\$ 163</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
DEBT SERVICE-DEFERRED SICK LEAVE-42000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 80	\$ 80
Total Revenues	<u>0</u>	<u>0</u>	<u>80</u>	<u>80</u>
Expenditures				
Central Services				
Employee Benefits	0	0	0	0
Total Central Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	80	80
Cash Balance Beginning of Year	<u>48,061</u>	<u>48,061</u>	<u>48,061</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 48,061</u>	<u>\$ 48,061</u>	<u>\$ 48,141</u>	<u>\$ 80</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 80	
Net change in Interest Receivable			<u>(4)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 76</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
TATUM MUNICIPAL SCHOOLS
 AGENCY FUNDS
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 June 30, 2010

	Beginning Balance <u>06/30/09</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>06/30/10</u>
ASSETS				
Activity Trust Fund	\$ 62,133	\$ 83,321	\$ 90,840	\$ 54,614
TOTAL Assets	<u>\$ 62,133</u>	<u>\$ 83,321</u>	<u>\$ 90,840</u>	<u>\$ 54,614</u>
LIABILITIES				
Due to Student Groups	\$ 62,133	\$ 83,321	\$ 90,840	\$ 54,614
TOTAL Liabilities	<u>\$ 62,133</u>	<u>\$ 83,321</u>	<u>\$ 90,840</u>	<u>\$ 54,614</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2010

	Balance 6/30/2009	Additions	Deductions	Balance 06/30/10
ASSETS				
After Prom Party	\$ 308	\$ 3,855	\$ 3,641	\$ 522
Booster Club	692	134	337	489
Boys Basketball	0	1,810	1,102	708
Building Trades	2,006	0	980	1,026
Character Counts, Elementary	1,079	0	1,079	0
Computer Lab	2,158	72	0	2,230
Dallas Mercantile	2,500	0	0	2,500
District 8	1	2,150	2,080	71
Drama	1,012	2,368	2,915	465
Elementary Teachers	294	317	299	312
FFA	662	27,485	28,088	59
Field House	312	378	690	0
Girls Basketball	225	299	524	0
Home Economics	10	0	0	10
HS A/R	1,221	190	159	1,252
HS Vending	1,597	4,686	4,774	1,509
Interest	78	104	0	182
Library	2,918	2,891	3,273	2,536
Miscellaneous	764	1,066	1,351	479
NHS	4,502	3,266	2,847	4,921
Student Council	830	2,792	2,318	1,304
Summer Recreation	875	1,519	1,848	546
Textbooks	1,092	245	40	1,297
Varsity Cheerleaders	571	5,471	4,250	1,792
Varsity Gym	607	1,165	1,772	0
Volleyball	196	3,023	3,029	190
WERC Design Team	1,340	0	164	1,176
WERC Scholarship	1,542	0	400	1,142
Yearbooks	8,156	5,017	2,501	10,672
Class of 2009	838	0	838	0
Class of 2010	10,397	2,383	10,225	2,555
Class of 2011	0	10,535	9,316	1,219
Class of 2012	50	20	0	70
Class of 2014	0	30	0	30
Class of 2015	0	50	0	50
Certificate of Deposit	13,300	0	0	13,300
Total Assets	<u>\$ 62,133</u>	<u>\$ 83,321</u>	<u>\$ 90,840</u>	<u>\$ 54,614</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 62,133</u>	<u>\$ 83,321</u>	<u>\$ 90,840</u>	<u>\$ 54,614</u>
Total Liabilities	<u>\$ 62,133</u>	<u>\$ 83,321</u>	<u>\$ 90,840</u>	<u>\$ 54,614</u>

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
Cash Reconciliations - All Funds
June 30, 2010

		Beginning Cash Balance 6/30/09	Revenue	Expenditures	Ending Cash Balance 6/30/10
Operational	11000 \$	595,395 \$	2,850,510 \$	2,910,212 \$	535,693
Transportation	13000	45,648	340,342	379,992	5,998
Instructional Materials	14000	17,476	15,349	28,988	3,837
Food Services	21000	16,628	124,571	126,284	14,915
Athletics	22000	12,606	24,279	22,280	14,605
Federal Flowthrough	24000	(45,955)	189,400	184,479	(41,034)
Federal Direct	25000	(6,761)	258,095	265,496	(14,162)
Local Grants	26000	6,576	0	0	6,576
State Flowthrough	27000	(32,854)	83,031	70,111	(19,934)
Special Capital Outlay Local	31300	101,903	171	0	102,074
Special Capital Outlay State	31400	(41,240)	0	8,759	(49,999)
Senate Bill Nine	31700	191,218	309,548	267,880	232,886
Debt Service	41000	436,539	403,045	410,217	429,367
Deferred Sick Leave	42000	48,060	80	0	48,140
Agency Funds		62,133	83,321	90,840	54,614
Total		<u>\$ 1,407,372</u>	<u>\$ 4,681,742</u>	<u>\$ 4,765,538</u>	<u>\$ 1,323,576</u>

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

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2010

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department: USDA National School Lunch Program	10.555	21000	\$ 86,906
Pass-through State Department of Human Services: USDA Commodities Program	10.550	21000	(1) 9,452
Total U. S. Department of Agriculture			\$ <u>96,358</u>
<u>U. S. Department of Education</u>			
Special Education Cluster			
Pass-through Lea Regional Education Cooperation # 7			
IDEA, Part B	84.027	24106/27200	\$ 70,490
IDEA Preschool	84.173	24109	14,790
Pass-through State Public Education Department			
IDEA, Part B, Recovery Act	84.391	24206	<u>22,036</u>
Total Special Education Cluster			<u>107,316</u>
Title I	84.010	24101	63,660
Title I Recovery Act	84.010	24201	14,054
Title II	84.367	24154	3,980
Title IV	84.186	24157	2,545
Title III	84.365	24153	10,480
State Fiscal Stabilization Program Fund	84.394	25250	253,216
Direct Program			
Rural and Low Income	84.358	25233	<u>12,961</u>
Total U. S. Department of Education			\$ <u>468,212</u>
Total Federal Assistance			\$ <u>564,570</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO

TATUM MUNICIPAL SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2010

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

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

Note 2: Insurance Requirements

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

Note 3: Loans or Loan Guarantees

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

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

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

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of TATUM MUNICIPAL SCHOOL , (District), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as 10-1, 10-2, 10-3, 10-4 and 10-5.

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

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

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

 CPA PC

November 10, 2010

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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

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

Mr. Balderas and Members of the Board

Compliance

We have audited TATUM MUNICIPAL SCHOOLS (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

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

De'Ann Willoughby, CPA PC

November 10, 2010

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

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- * Significant deficiencies __yes X no
- * Significant deficiency(ies) identified that are not considered to be material weaknesses? __yes X none reported
- Noncompliance material to financial statements noted? __yes X no

Federal Awards

Internal control over major programs:

- * Significant deficiencies __yes X no
- * Significant deficiency(ies) identified that are not considered to be material weaknesses? __yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.027	IDEA, Part B
84.391	IDEA, Part B Recovery Act
84.173	IDEA Preschool
84.392	IDEA Preschool-Recovery Act
84.394	State Fiscal Stabilization Program Fund

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

Auditee qualified as low risk auditee __yes X no

Prior Year Audit Findings

There were no previous year audit findings.

Current Year Audit Findings

10-1 Reporting of NMPSIA

Condition

During our sample off all 52 employs paying into NMPSIA we calculated that 3 of those employees percentages were wrong, 2 employees were overpaying and 1 was underpaying their percentage. This caused 2 employees to overpay for the fiscal year by \$1,129.49 and the District to over pay their portion for the 1 employee for the fiscal year by \$565.33.

Criteria

New Mexico Public districts Insurance Authority-Employee Benefits Rules and Regulations Program guide July 2010.

Effect

Because the proper procedures are not being followed the District could have additional expenditures.

Cause

The employees base wages were entered incorrectly in Visions causing the incorrect amounts to be withheld from the employees.

Recommendation

Data entry should be reviewed before the first payroll of each year and again as wages change during the year.

Response

We have reviewed all current deductions and determined they are correct. We have developed a system to review changes each time they are made.

10-2 Reporting of RHCA

Condition

During the payroll sampling we noticed that of the 12 months, wages for the return to work employees of \$116,519.41 were under reported to RHCA. Employee percentage totals \$757.38 and Employer percentage totals \$1,514.75.

Criteria

Per 10-7C-15 NMSA as a condition of employment, participation employers shall deduct RHCA contributions from all participating employee's salary and shall remit it to the board as provided by any procedures the board may require. Per discussion with NMRHCA if an employee is covered under ERB they are also a member of RHCA.

Effect

Because the employees were not substitutes, or less than .25 FTE RHCCA contributions should have been made by both employee and employer. As a result the District has misreported its wages to the NMRHCA and is out of compliance with the state statute. The District also could have additional expenditures due to mistake.

Cause

The settings in the payroll system were not set correctly for some of the employees.

Recommendation

We recommend setting be reviewed before the first payroll is ran and that the district properly report wages to the NMRHCA Board and implement procedures to ensure wages are properly reported and contributions are paid accurately and timely.

Response

We will review setting before each payroll and review the reports before submission.

10-3 Exceeded Budget Authority

Condition

Condition: The district has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

<u>Major Funds</u>	<u>Amount</u>
DEBT SERVICE-41000	
Support Services-General Administration	(269)

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

Effect

As a result, the district is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the functions prior to the year end.

Recommendation

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

The one percent charge was not posted in the general ledger until after the time for budget adjustments could be approved.

10-4 Timely deposits

Condition

Of a 100% sample of cash receipts, we found non of them were deposited within 24 hours.

Criteria

All funds shall be deposited in the appropriate account at a federally insured bank within 24 hours or receipt or one banking day as required by NMAC 6.2.2.14.3

Effect

Cash held on site may more likely provide an opportunity for misappropriations and may make accurate recordkeeping more difficult.

Cause

We had made the assumption there was not a bank in located in the Town of Tatum, but it was brought to our attention during fieldwork there was one. Management was not aware deposits had to be made within 24 hours if a banking institution was located in the area.

Recommendation

We recommend deposits are made within the 24 hours of receipt.

Response

All money will be deposited daily.

10-5 Cash Appropriations in Excess of Available Cash Balances

Condition

The District maintained a deficit budget in excess of available cash balance in the Operational Fund (11000) of \$(41,697), the Instructional Material (14000) of \$(3,947), Senate Bill Nine (31700) of

Criteria

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

Effect

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

Cause

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

Recommendation

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

Response

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

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 10, 2010. Those present were Buddy Little-Superintendent, Travis Glenn-Board President, Christie Mullins-Payroll Clerk, Leslie Pearce-Business Manager and De'Aun Willoughby CPA.