



STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2011

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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, 2011

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

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 fund and major special revenue funds of TATUM MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project 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, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

September 8, 2011

FINANCIAL SECTION

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

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 721,344
Investments	613,596
Interest Receivable	114
Taxes Receivable	50,972
Due From Grantor	57,647
Inventory	1,658
Total Current Assets	<u>1,445,331</u>
Noncurrent Assets	
Capital Assets	16,278,772
Less: Accumulated Depreciation	<u>(9,684,940)</u>
Total Noncurrent Assets	<u>6,593,832</u>
 Total Assets	 <u>8,039,163</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	14,985
Accrued Interest	12,384
Current Portion of Long-Term Debt	365,000
Total Current Liabilities	<u>392,369</u>
Noncurrent Liabilities	
Compensated Absences	54,182
Bonds and Notes, Net	1,152,466
Total Noncurrent Liabilities	<u>1,206,648</u>
 Total Liabilities	 <u>1,599,017</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	5,076,366
Restricted for Capital Projects	204,553
Unrestricted	1,159,227
Total Net Assets	<u>\$ 6,440,146</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, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 2,955,498	\$ 22,920	\$ 333,011	\$ 0	\$ (2,599,567)
Support Service-Students	123,901	0	34,734	0	(89,167)
Support Services-Instruction	96,595	0	13,437	0	(83,158)
Support Services-General Administration	171,788	0	12,793	0	(158,995)
Support Services-School Administration	282,607	0	0	0	(282,607)
Central Services	130,236	0	0	0	(130,236)
Operation & Maintenance of Plant	632,525	7,750	0	0	(624,775)
Student Transportation	226,659	0	224,879	0	(1,780)
Other	1,885	0	0	0	(1,885)
Food Services	177,605	39,995	103,448	0	(34,162)
Community Service	17,317	0	0	0	(17,317)
Interest on Long-Term Obligations	54,754	0	0	0	(54,754)
Total Governmental Activities	<u>\$ 4,871,370</u>	<u>\$ 70,665</u>	<u>\$ 722,302</u>	<u>\$ 0</u>	<u>(4,078,403)</u>
General Revenues					
Taxes					
					61,555
					252,596
					431,729
Federal and State aid not restricted to specific purpose					
					3,133,327
					16,515
Interest and investment earnings					
					2,460
Miscellaneous					
					21,387
					<u>3,919,569</u>
					(158,834)
					<u>6,598,980</u>
					<u>\$ 6,440,146</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, 2011

	General		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 493,362	\$ 7,750	\$ 1
Investments	0	0	0
Receivables			
Interest	29	0	0
Property Taxes	4,223	0	0
Due From Grantor	0	0	0
Interfund Balance	57,647	0	0
Inventory	0	0	0
Total Assets	<u>\$ 555,261</u>	<u>\$ 7,750</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	8,263	0	0
Total Liabilities	<u>8,263</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General Fund	546,998	7,750	1
Total Fund Balances	<u>546,998</u>	<u>7,750</u>	<u>1</u>
Total Liabilities and Fund Balances	<u>\$ 555,261</u>	<u>\$ 7,750</u>	<u>\$ 1</u>

The notes to the financial statements are an integral part

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

	Special Revenue		
	General	IDEA B	Title I
	Instructional	Entitlement	Recovery Act
	Material	24106	24201
	14000		
ASSETS			
Cash and Cash Equivalents	\$ 1	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	20,517	15,297
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1</u>	<u>\$ 20,517</u>	<u>\$ 15,297</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 20,517	\$ 15,297
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>20,517</u>	<u>15,297</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects	0	0	0
Unassigned-General Fund	1	0	0
Total Fund Balances	<u>1</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 1</u>	<u>\$ 20,517</u>	<u>\$ 15,297</u>

The notes to the financial statements are an integral part

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

	<u>Special Revenue</u>	<u>Capital Projects</u>	
	Pre K 27149	Senate Bill Nine 31700	Debt Service 41000
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 24,929	\$ 0
Investments	0	169,093	444,503
Receivables			
Interest	0	35	22
Property Taxes	0	17,218	29,531
Due From Grantor	13,366	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	\$ 13,366	\$ 211,275	\$ 474,056
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 13,366	\$ 0	\$ 0
Accounts Payable	0	6,722	0
Total Liabilities	13,366	6,722	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	474,056
Assigned-Capital Projects	0	204,553	0
Unassigned-General Fund	0	0	0
Total Fund Balances	0	204,553	474,056
Total Liabilities and Fund Balances	\$ 13,366	\$ 211,275	\$ 474,056

The notes to the financial statements are an integral part

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

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 195,301	\$ 721,344
Investments	0	613,596
Receivables		
Interest	28	114
Property Taxes	0	50,972
Due From Grantor	8,467	57,647
Interfund Balance	0	57,647
Inventory	1,658	1,658
Total Assets	<u>\$ 205,454</u>	<u>\$ 1,502,978</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 8,467	\$ 57,647
Accounts Payable	0	14,985
Total Liabilities	<u>8,467</u>	<u>72,632</u>
Fund Balances		
Nonspendable-Inventory	1,658	1,658
Restricted for, reported in		
Special Revenue Funds	44,752	44,752
Capital Projects	102,320	102,320
Debt Service	48,257	522,313
Assigned-Capital Projects	0	204,553
Unassigned-General Fund	0	554,750
Total Fund Balances	<u>196,987</u>	<u>1,430,346</u>
Total Liabilities and Fund Balances	<u>\$ 205,454</u>	<u>\$ 1,502,978</u>

The notes to the financial statements are an integral part

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

Total Fund Balance - Governmental Funds \$ 1,430,346

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	\$ 16,278,772	
Accumulated depreciation is	<u>(9,684,940)</u>	6,593,832

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	(1,525,000)	
Issue Costs	25,115	
Accumulated Amortization	(17,581)	
Accrued Interest	(12,384)	
Compensated Absences	<u>(54,182)</u>	<u>(1,584,032)</u>

Total net assets - governmental activities	\$	<u><u>6,440,146</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, 2011

	General		
	Operational 11000	Teachergage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 61,555	\$ 0	\$ 0
Interest Income	1,389	0	0
Fees	0	7,750	0
State and Local Grants	3,133,327	0	224,879
Federal Grants	0	0	0
Miscellaneous	10,511	0	0
Total Revenues	3,206,782	7,750	224,879
Expenditures			
Current			
Instruction	1,986,530	0	0
Support Services-Students	87,459	0	0
Support Services-Instruction	90,510	0	0
Support Services-General Administration	153,498	0	0
Support Services-School Administration	282,607	0	0
Central Services	130,236	0	0
Operation & Maintenance of Plant	393,998	0	0
Student Transportation	12	0	230,877
Other	1,885	0	0
Food Service	38,169	0	0
Community Services	17,317	0	0
Capital Outlay	7,760	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	3,189,981	0	230,877
Excess (Deficiency) of Revenues Over Expenditures	16,801	7,750	(5,998)
Fund Balances at Beginning of Year	530,197	0	5,999
Fund Balance End of Year	\$ 546,998	\$ 7,750	\$ 1

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, 2011

	Special Revenue		
	General	IDEA B	Title I
	Instructional	Entitlement	Recovery Act
	Material	24106	24201
	14000		
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State and Local Grants	12,617	0	0
Federal Grants	0	44,657	15,436
Miscellaneous	0	0	0
Total Revenues	12,617	44,657	15,436
Expenditures			
Current			
Instruction	16,453	42,764	15,436
Support Services-Students	0	1,893	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	16,453	44,657	15,436
Excess (Deficiency) of Revenues			
Over Expenditures	(3,836)	0	0
Fund Balances at Beginning of Year	3,837	0	0
Fund Balance End of Year	\$ 1	\$ 0	\$ 0

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, 2011

	Special Revenue	Capital Projects	
	Pre K 27149	Senate Bill Nine 31700	Debt Service 41000
Revenues			
Property Taxes	\$ 0	\$ 252,596	\$ 431,729
Interest Income	0	426	263
Fees	0	0	0
State and Local Grants	28,030	16,515	0
Federal Grants	0	0	0
Miscellaneous	0	10,574	0
Total Revenues	<u>28,030</u>	<u>280,111</u>	<u>431,992</u>
Expenditures			
Current			
Instruction	28,030	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	817	1,410
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	238,527	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	60,092	0
Debt Service			
Principal	0	0	355,000
Interest	0	0	54,756
Total Expenditures	<u>28,030</u>	<u>299,436</u>	<u>411,166</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(19,325)	20,826
Fund Balances at Beginning of Year	<u>0</u>	<u>223,878</u>	<u>453,230</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 204,553</u>	<u>\$ 474,056</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, 2011

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 0	\$ 745,880
Interest Income	382	2,460
Fees	62,915	70,665
State and Local Grants	4,738	3,420,106
Federal Grants	391,945	452,038
Miscellaneous	302	21,387
Total Revenues	<u>460,282</u>	<u>4,712,536</u>
Expenditures		
Current		
Instruction	264,739	2,353,952
Support Services-Students	32,841	122,193
Support Services-Instruction	820	91,330
Support Services-General Administration	16,063	171,788
Support Services-School Administration	0	282,607
Central Services	0	130,236
Operation & Maintenance of Plant	0	632,525
Student Transportation	0	230,889
Other	0	1,885
Food Service	140,861	179,030
Community Services	0	17,317
Capital Outlay	0	67,852
Debt Service		
Principal	0	355,000
Interest	0	54,756
Total Expenditures	<u>455,324</u>	<u>4,691,360</u>
Excess (Deficiency) of Revenues Over Expenditures	4,958	21,176
Fund Balances at Beginning of Year	<u>192,029</u>	<u>1,409,170</u>
Fund Balance End of Year	<u>\$ 196,987</u>	<u>\$ 1,430,346</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, 2011

Excess (Deficiency) of Revenues Over Expenditures \$ 21,176

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

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	\$ (594,065)	
Capital Outlays	<u>67,852</u>	(526,213)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 355,000

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		(2,512)
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest, June 30, 2010	14,898	
Accrued Interest, June 30, 2011	<u>(12,384)</u>	2,514

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

Compensated Absences, June 30, 2010	45,383	
Compensated Absences, June 30, 2011	<u>(54,182)</u>	<u>(8,799)</u>

Changes in Net Assets of Governmental Activities	\$	<u><u>(158,834)</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
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 90,908	\$ 90,908	\$ 60,823	\$ (30,085)
Investment Income	1,389	1,300	1,382	82
State Grant	3,161,123	3,161,123	3,133,327	(27,796)
Miscellaneous	0	0	10,511	10,511
Total Revenues	<u>3,253,420</u>	<u>3,253,331</u>	<u>3,206,043</u>	<u>(47,288)</u>
Expenditures				
Instruction				
Personnel Services	1,702,371	1,563,621	1,403,987	159,634
Employee Benefits	555,040	436,030	430,987	5,043
Professional & Tech Services	12,750	23,800	17,726	6,074
Purchased Property Services	4,920	4,920	1,996	2,924
Other Purchased Services	50,850	51,513	37,033	14,480
Supplies	111,371	117,871	71,712	46,159
Fixed Assets	15,000	15,000	8,828	6,172
Supply Assets	18,000	33,000	23,141	9,859
Total Instruction	<u>2,470,302</u>	<u>2,245,755</u>	<u>1,995,410</u>	<u>250,345</u>
Support Services-Students				
Personnel Services	19,492	0	0	0
Employee Benefits	4,487	0	0	0
Professional & Tech Services	52,863	87,190	87,187	3
Supplies	0	272	272	0
Total Support Services-Students	<u>76,842</u>	<u>87,462</u>	<u>87,459</u>	<u>3</u>
Support Services-Instruction				
Personnel Services	62,500	56,000	54,505	1,495
Employee Benefits	23,598	21,619	18,979	2,640
Professional & Tech Services	10,000	15,230	15,044	186
Supplies	200	2,300	1,983	317
Total Support Services-Instruction	<u>96,298</u>	<u>95,149</u>	<u>90,511</u>	<u>4,638</u>
Support Services-General Administration				
Personnel Services	107,703	107,943	96,593	11,350
Employee Benefits	36,776	30,046	27,198	2,848
Professional & Tech Services	15,324	18,074	12,964	5,110
Purchased Property Services	0	10,750	7,863	2,887
Other Purchased Services	7,350	8,500	4,015	4,485
Supplies	4,100	4,840	3,706	1,134
Supply Assets	0	403	403	0
Total Support Services-General Administration	<u>171,253</u>	<u>180,556</u>	<u>152,742</u>	<u>27,814</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 173,533	\$ 210,017	\$ 209,833	\$ 184
Employee Benefits	52,294	67,250	66,241	1,009
Professional & Tech Services	600	1,100	179	921
Other Purchased Services	4,500	4,500	1,424	3,076
Supplies	12,400	8,204	3,327	4,877
Supply Assets	0	2,250	2,224	26
Total Support Services-School Administration	<u>243,327</u>	<u>293,321</u>	<u>283,228</u>	<u>10,093</u>
Central Services				
Personnel Services	76,981	82,127	82,105	22
Employee Benefits	35,621	33,741	31,763	1,978
Professional & Tech Services	5,950	2,268	1,397	871
Purchased Property Services	7,158	8,387	8,386	1
Other Purchased Services	3,040	6,152	3,892	2,260
Supplies	8,000	5,741	2,894	2,847
Supply Assets	1,872	1,872	0	1,872
Total Central Services	<u>138,622</u>	<u>140,288</u>	<u>130,437</u>	<u>9,851</u>
Operation & Maintenance of Plant				
Personnel Services	138,873	149,173	146,732	2,441
Employee Benefits	54,242	51,192	48,439	2,753
Professional & Tech Services	200	200	0	200
Purchased Property Services	122,630	112,937	94,371	18,566
Other Purchased Services	83,049	81,949	81,035	914
Supplies	22,263	27,253	19,755	7,498
Supply Assets	5,800	4,780	3,296	1,484
Total Operation & Maintenance of Plant	<u>427,057</u>	<u>427,484</u>	<u>393,628</u>	<u>33,856</u>
Student Transportation				
Professional & Tech Services	8	20	12	8
Total Student Transportation	<u>8</u>	<u>20</u>	<u>12</u>	<u>8</u>
Other Support Services				
Professional & Tech Services	22,835	22,835	1,813	21,022
Total Other Support Services	<u>22,835</u>	<u>22,835</u>	<u>1,813</u>	<u>21,022</u>
Food Service				
Personnel Services	4,640	22,835	0	22,835
Employee Benefits	450	4,640	0	4,640
Professional & Tech Services	340	450	228	222
Other Purchased Services	700	1,040	77	963
Supplies	36,760	38,460	37,864	596
Total Food Service	<u>\$ 42,890</u>	<u>\$ 67,425</u>	<u>\$ 38,169</u>	<u>\$ 29,256</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Community Service				
Personnel Services	\$ 13,532	\$ 15,703	\$ 15,670	\$ 33
Employee Benefits	2,508	2,678	1,647	1,031
Professional & Tech Services	460	0	0	0
Supplies	5,000	0	0	0
Total Community Service	<u>21,500</u>	<u>18,381</u>	<u>17,317</u>	<u>1,064</u>
Total Expenditures	<u>3,710,934</u>	<u>3,578,676</u>	<u>3,190,726</u>	<u>387,950</u>
Excess (Deficiency) of Revenues Over Expenditures	(457,514)	(325,345)	15,317	340,662
Cash Balance Beginning of Year	<u>535,692</u>	<u>535,692</u>	<u>535,692</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 78,178</u>	<u>\$ 210,347</u>	<u>\$ 551,009</u>	<u>\$ 340,662</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 15,317	
Net Change in Investment Receivable			7	
Net Change in Taxes Receivable			732	
Net Change in Accounts Payable			745	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 16,801</u>	

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

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 0	\$ 7,750	\$ 7,750
Total Revenues	<u>0</u>	<u>0</u>	<u>7,750</u>	<u>7,750</u>
Expenditures				
Operation & Maintenance of Plant				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Professional & Tech Services	0	0	0	0
Purchased Property Services	0	0	0	0
Other Purchased Services	0	0	0	0
Supplies	0	0	0	0
Supply Assets	0	0	0	0
Total Operation & Maintenance of Plant	<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	7,750	7,750
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>\$ 7,750</u>	<u>\$ 7,750</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,750	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 7,750</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 240,841	\$ 230,877	\$ 224,879	\$ (5,998)
Total Revenues	<u>240,841</u>	<u>230,877</u>	<u>224,879</u>	<u>(5,998)</u>
Expenditures				
Student Transportation				
Personnel Services	107,649	109,090	103,090	6,000
Employee Benefits	64,380	57,910	57,910	0
Professional & Tech Services	1,540	1,024	1,024	0
Purchased Property Services	29,639	29,459	29,459	0
Other Purchased Services	6,300	5,060	5,060	0
Supplies	29,858	34,179	34,180	(1)
Supply Assets	1,475	154	154	0
Total Student Transportation	<u>240,841</u>	<u>236,876</u>	<u>230,877</u>	<u>5,999</u>
Total Expenditures	<u>240,841</u>	<u>236,876</u>	<u>230,877</u>	<u>5,999</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5,999)	(5,998)	1
Cash Balance Beginning of Year	<u>5,999</u>	<u>5,999</u>	<u>5,999</u>	<u>0</u>
Cash Balance End of Year	\$ <u>5,999</u>	\$ <u>0</u>	\$ <u>1</u>	\$ <u>1</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,998)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(5,998)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 12,313	\$ 12,617	\$ 12,617	\$ 0
Total Revenues	<u>12,313</u>	<u>12,617</u>	<u>12,617</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	16,149	16,454	16,453	1
Total Instruction	<u>16,149</u>	<u>16,454</u>	<u>16,453</u>	<u>1</u>
Support Services-Instruction				
Supplies			0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>16,149</u>	<u>16,454</u>	<u>16,453</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,836)	(3,837)	(3,836)	1
Cash Balance Beginning of Year	<u>3,837</u>	<u>3,837</u>	<u>3,837</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 1</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,836)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,836)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 31,716	\$ 76,373	\$ 24,140	\$ (52,233)
Total Revenues	<u>31,716</u>	<u>76,373</u>	<u>24,140</u>	<u>(52,233)</u>
Expenditures				
Instruction				
Personnel Services	16,755	51,250	34,495	16,755
Employee Benefits	12,433	20,702	8,269	12,433
Total Instruction	<u>29,188</u>	<u>71,952</u>	<u>42,764</u>	<u>29,188</u>
Support Services-Students				
Personnel Services	2,261	4,000	1,739	2,261
Employee Benefits	267	421	154	267
Total Support Services-Students	<u>2,528</u>	<u>4,421</u>	<u>1,893</u>	<u>2,528</u>
Total Expenditures	<u>31,716</u>	<u>76,373</u>	<u>44,657</u>	<u>31,716</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(20,517)	(20,517)
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>\$ (20,517)</u>	<u>\$ (20,517)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (20,517)	
Net Change in Due from Grantor			20,517	
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$	\$ 30,824	\$ 139	\$ (30,685)
Total Revenues	<u>0</u>	<u>30,824</u>	<u>139</u>	<u>(30,685)</u>
Expenditures				
Instruction				
Supplies	0	9,775	5,661	4,114
Supply Assets	<u>0</u>	<u>21,049</u>	<u>9,775</u>	<u>11,274</u>
Total Instruction	<u>0</u>	<u>30,824</u>	<u>15,436</u>	<u>15,388</u>
Total Expenditures	<u>0</u>	<u>30,824</u>	<u>15,436</u>	<u>15,388</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(15,297)	(15,297)
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>\$ (15,297)</u>	<u>\$ (15,297)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,297)	
Net Change in Due From Grantor			<u>15,297</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-PRE K-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 13,366	\$ 41,396	\$ 28,030	\$ (13,366)
Total Revenues	<u>13,366</u>	<u>41,396</u>	<u>28,030</u>	<u>(13,366)</u>
Expenditures				
Instruction				
Personnel Services	0	21,511	21,511	0
Employee Benefits	<u>0</u>	<u>6,519</u>	<u>6,519</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>28,030</u>	<u>28,030</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>28,030</u>	<u>28,030</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
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>68,850</u>
Total Assets	\$ <u><u>68,850</u></u>
Liabilities	
Deposits Held for Others	\$ <u>68,850</u>
Total Liabilities	\$ <u><u>68,850</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 SCHOOLS (District) ,has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

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

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

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

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

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

Governmental Funds

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

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

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

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)(12000)(13000)(14000). The General Fund consist of four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage accounts for rents collected from teachers and related expenditures. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

MAJOR SPECIAL REVENUE FUNDS

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.

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.

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.

MAJOR CAPITAL PROJECTS FUND

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

MAJOR DEBT SERVICE FUND

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:

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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.

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

Nonspendable fund balance represents assets that are other than cash such as inventory.

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

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

Interfund 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".

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The present deferred sick leave payment rates are as follows:

Support Staff	50% of substitute pay	\$ 37.50
Certified	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	Balance Per Bank 6/30/11	Reconciled Balance	Type
<u>Name of Account</u>	<u>6/30/11</u>	<u>Balance</u>	<u>Type</u>
General	\$ 943,610	\$ 707,240	Checking
School Lunch	30,105	18,105	Checking
Athletics	9,393	9,298	Checking
Activity	55,954	55,551	Checking
TOTAL Deposited	<u>1,039,062</u>	<u>\$ 790,194</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	789,062		
50% collateral requirement	394,531		
Pledged securities	<u>591,559</u>		
Over (Under) requirement	<u>\$ 591,559</u>		

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

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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	\$ 32,303	3/1/2019	FHLB Dallas, TX
FHLMC ARM #420088 7001264	31346ACZ6	6,964	8/1/2016	FHLB Dallas, TX
GNMA #8390	36202KKB0	12,967	8/20/2018	FHLB Dallas, TX
GNMA #8324	36202KG90	18,135	11/20/2023	FHLB Dallas, TX
GNMA #80643	36225CWD4	28,416	10/20/2032	FHLB Dallas, TX
GNMA #80500	36225CRW8	69,857	3/20/2031	FHLB Dallas, TX
GNMA #80515	36225CSD9	11,670	5/20/2031	FHLB Dallas, TX
FNMA #604975	31388HCL1	374,079	9/1/2031	FHLB Dallas, TX
FNMA #420192B	31346AF91	37,168	6/1/2029	FHLB Dallas, TX
		<u>\$ 591,559</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	591,559
Uninsured and uncollateralized	197,503
Total Deposits	<u>\$ 1,039,062</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 \$197,503 of the District's bank balance of \$1,039,062, was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Balance Per Bank 6/30/11</u>	<u>Reconciled Balance</u>	<u>Type</u>
Tatum Municipal School	\$ 8,974	\$ 8,974	Savings
TMS Reserve Contingencies	26	26	Savings
Tatum Municipal School	13,267	13,267	Savings
TMS Reserve Contingencies	39	39	Savings
Tatum Municipal School	99,708	99,708	Savings
TMS Reserve Contingencies	292	292	Savings
Tatum Municipal School	179,328	179,328	Savings
TMS Reserve Contingencies	672	672	Savings
Tatum Municipal School	149,562	149,562	Savings
TMS Reserve Contingencies	438	438	Savings
Tatum Municipal School	113,382	113,382	Savings
TMS Reserve Contingencies	918	918	Savings
TMS LGIP Pool 4101	46,853	46,853	Savings
TMS Reserve Contingencies	137	137	Savings
TOTAL Deposited	<u>\$ 613,596</u>	<u>\$ 613,596</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, 2011, 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.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds				Total
	IDEA B Entitlement 24106	Title I Recovery Act 24201	Pre K 27149	Other Governmental Funds	
General Fund \$	\$ 20,517	\$ 15,297	\$ 13,366	\$ 8,467	\$ 57,647
Totals	\$ 20,517	\$ 15,297	\$ 13,366	\$ 8,467	\$ 57,647

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

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NOTE D: TAXES RECEIVABLE

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

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Total
Property Taxes Receivable:				
Available	\$ 4,223	\$ 17,218	\$ 29,531	\$ 50,972
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	<u>\$ 4,223</u>	<u>\$ 17,218</u>	<u>\$ 29,531</u>	<u>\$ 50,972</u>

NOTE E: DUE FROM GRANTOR

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

Federal Agencies	\$ 13,366
State Agencies	44,281
Total	<u>\$ 57,647</u>

NOTE F: CAPITAL ASSETS

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

	Balance 6/30/10	Increases	Adjustments/ Decreases	Balance 6/30/11
Governmental Activities				
Capital Assets, not being Depreciated				
Land	\$ 819,961	\$ 0	\$ 0	\$ 819,961
Construction in Progress	25,788	23,474	49,262	0
Total Capital Assets, not being Depreciated	<u>845,749</u>	<u>23,474</u>	<u>49,262</u>	<u>819,961</u>
Capital Assets, being Depreciated				
Buildings & Improvements	12,960,605	49,262	0	13,009,867
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,404,565</u>	<u>44,379</u>	<u>0</u>	<u>2,448,944</u>
Total Capital Assets, being Depreciated	<u>15,365,170</u>	<u>93,641</u>	<u>0</u>	<u>15,458,811</u>
Total Capital Assets	<u>16,210,919</u>	<u>117,115</u>	<u>49,262</u>	<u>16,278,772</u>
Less Accumulated Depreciation				
Buildings & Improvements	7,645,019	484,518	0	8,129,537
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,445,855</u>	<u>109,548</u>	<u>0</u>	<u>1,555,403</u>
Total Accumulated Depreciation	<u>9,090,874</u>	<u>594,066</u>	<u>0</u>	<u>9,684,940</u>
Capital Assets, net	<u>\$ 7,120,045</u>	<u>\$ (476,951)</u>	<u>\$ 49,262</u>	<u>\$ 6,593,832</u>

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NOTE G: LONG TERM DEBT

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

	Balance 6/30/10	Additions	Reductions/ Adjustment	Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
General Obligation					
Bonds	\$ 1,880,000	\$ 0	\$ 355,000	\$ 1,525,000	\$ 365,000
Total Bonds	<u>1,880,000</u>	<u>0</u>	<u>355,000</u>	<u>1,525,000</u>	<u>365,000</u>
Other Liabilities					
Compensated					
Absences	45,383	17,130	8,331	54,182	0
Total Other	<u>45,383</u>	<u>17,130</u>	<u>8,331</u>	<u>54,182</u>	<u>0</u>
Liabilities					
Long-Term					
Liabilities	<u>\$ 1,925,383</u>	<u>\$ 17,130</u>	<u>\$ 363,331</u>	<u>\$ 1,579,182</u>	<u>\$ 365,000</u>

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%	\$ 1,525,000
				<u>\$ 1,525,000</u>

The annual requirements to amortize the 2004 Series general obligation bonds as of June 30, 2011, including interest payments are as follows:

	Principal	Interest	Total
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
	<u>\$ 1,525,000</u>	<u>\$ 105,273</u>	<u>\$ 1,630,273</u>

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	\$ 1,525,000
Net Issue Costs/Premium/Discounts on Bond Issues	(7,534)
	<u>\$ 1,517,466</u>

Government Wide Statements

Amount Reported as Current Amount Due	\$ 365,000
Amount Reported as Long-Term Due	1,152,466
Statement of Net Assets	<u>\$ 1,517,466</u>

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 through June 30, 2011, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2011, 2010, and 2009, were \$468,520, \$407,990 and \$416,416 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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$57,121, \$36,919 and \$34,787 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 District gives notice of intent to terminate.

The expenditures were \$28,030. The revenues and expenditures are reported as the following special revenue fund:

27149	Pre-K
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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 PROJECTS FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 369,556	\$ 369,556	\$ 249,538	\$ (120,018)
Interest Income	350	350	420	70
State Grant	0	0	16,515	16,515
Other	8,651	8,651	10,574	1,923
Total Revenues	<u>378,557</u>	<u>378,557</u>	<u>277,047</u>	<u>(101,510)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	1,584	1,584	817	767
Total Support Services-General Administration	<u>1,584</u>	<u>1,584</u>	<u>817</u>	<u>767</u>
Capital Outlay				
Building Improvements	210,574	194,574	163,914	30,660
Software	50,000	60,526	17,823	42,703
Supplies	80,168	80,168	48,155	32,013
Land Improvements	0	16,000	15,713	287
Fixed Assets	105,493	105,493	39,379	66,114
Supply Assets	80,355	80,355	30,109	50,246
Total Capital Outlay	<u>526,590</u>	<u>537,116</u>	<u>315,093</u>	<u>222,023</u>
Total Expenditures	<u>528,174</u>	<u>538,700</u>	<u>315,910</u>	<u>222,790</u>
Excess (Deficiency) of Revenues Over Expenditures	(149,617)	(160,143)	(38,863)	121,280
Cash Balance Beginning of Year	<u>232,885</u>	<u>232,885</u>	<u>232,885</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 83,268</u>	<u>\$ 72,742</u>	<u>\$ 194,022</u>	<u>\$ 121,280</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (38,863)	
Net Change in Interest Receivable			6	
Net Change in Taxes Receivable			3,057	
Net Change in Accounts Payable			16,475	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (19,325)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 409,723	\$ 409,723	\$ 426,043	\$ 16,320
Interest Income	490	490	258	(232)
Total Revenues	<u>410,213</u>	<u>410,213</u>	<u>426,301</u>	<u>16,088</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	4,098	4,098	1,410	2,688
Total Support Services-General Administration	<u>4,098</u>	<u>4,098</u>	<u>1,410</u>	<u>2,688</u>
Debt Service				
Principal	355,000	355,000	355,000	0
Interest	54,763	54,763	54,756	7
Total Debt Service	<u>409,763</u>	<u>409,763</u>	<u>409,756</u>	<u>7</u>
Total Expenditures	<u>413,861</u>	<u>413,861</u>	<u>411,166</u>	<u>2,695</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,648)	(3,648)	15,135	18,783
Cash Balance Beginning of Year	<u>429,368</u>	<u>429,368</u>	<u>429,368</u>	<u>0</u>
Cash Balance End of Year	\$ <u>425,720</u>	\$ <u>425,720</u>	\$ <u>444,503</u>	\$ <u>18,783</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 15,135	
Net Change in Interest Receivable			5	
Net Change in Taxes Receivable			5,686	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 20,826</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).

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

IDEA 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.

IDEA, Part B Recovery Act (24206). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Elementary School Breakfast Stimulus (24290). To account for the revenues and expenditures for a federal grant to provide breakfast in the classroom. 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.

NONMAJOR SPECIAL REVENUE FUNDS

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.

Education Job Stimulus (25255). To account for revenues and expenditures received from the federal government for the purpose of job creation. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal 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.

Library GO 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).

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.

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.

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.

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.

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, 2011

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
ASSETS			
Cash and Cash Equivalents	\$ 18,105	\$ 18,298	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	1,870
Inventory	1,658	0	0
Total Assets	\$ 19,763	\$ 18,298	\$ 1,870
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 1,870
Payables	0	0	0
Total Liabilities	0	0	1,870
Fund Balance			
Nonspendable-Inventory	1,658	0	0
Restricted for, reported in			
Special Revenue Funds	18,105	18,298	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	19,763	18,298	0
Total Liabilities and Fund Balance	\$ 19,763	\$ 18,298	\$ 1,870

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, 2011

	Special Revenue		
	IDEA Preschool 24109	Title III English Language Acquisition 24153	Title II Teacher/Principal Training & Recruiting 24154
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	6,597	0	0
Inventory	0	0	0
Total Assets	<u>\$ 6,597</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 6,597	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	<u>6,597</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
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>\$ 6,597</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, 2011

	Special Revenue		
	Title IV Drug Free School & Community 24157	IDEA Part B Recovery Act 24206	Elementary School Breakfast Stimulus 24290
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	0	0	0
Total Assets	\$ 0	\$ 0	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 0

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

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

	Special Revenue		
	Rural Education Achievement Program <u>25233</u>	State Fiscal Stabilization Program <u>25250</u>	Education Job Fund <u>25255</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	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
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>\$ 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, 2011

	Special Revenue		
	Maddox 26109	Duel Credit 27103	Library GO Bonds 27105
ASSETS			
Cash and Cash Equivalents	\$ 6,576	\$ 0	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 6,576	\$ 0	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Payables	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
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	\$ 0	\$ 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, 2011

	Special Revenue		
	Technology for Education <u>27117</u>	Incentives for School Improvement <u>27138</u>	Beginning Teacher Mentoring <u>27154</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,443	\$ 241	\$ 0
Receivables			
Interest	0	0	0
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,443</u>	<u>\$ 241</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			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	1,443	241	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>1,443</u>	<u>241</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,443</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 Balance Sheet
June 30, 2011

	Special Revenue		Capital Projects
	State Directed Activities 27200	Library Books 27549	Special Capital Outlay Local 31300
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 89	\$ 102,301
Receivables			
Interest	0	0	19
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 89</u>	<u>\$ 102,320</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			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds		89	0
Capital Projects	0	0	102,320
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>89</u>	<u>102,320</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 89</u>	<u>\$ 102,320</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, 2011

	<u>Capital Projects</u>	<u>Debt Service</u>	
	Special Capital Outlay State 31400	Deferred Leave 42000	Total
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 48,248	\$ 195,301
Receivables			
Interest	0	9	28
Property Taxes	0	0	0
Due From Grantor	0	0	8,467
Inventory	0	0	1,658
Total Assets	<u>\$ 0</u>	<u>\$ 48,257</u>	<u>\$ 205,454</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 8,467
Payables	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>8,467</u>
Fund Balance			
Nonspendable-Inventory	0	0	1,658
Restricted for, reported in			
Special Revenue Funds	0	0	44,752
Capital Projects	0	0	102,320
Debt Service	0	48,257	48,257
Total Fund Balance	<u>0</u>	<u>48,257</u>	<u>196,987</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 48,257</u>	<u>\$ 205,454</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, 2011

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Interest Income	\$ 24	\$ 18	\$ 0
Fees	39,995	19,650	0
State and Local Grants	0	0	0
Federal Grants	98,648	0	66,665
Miscellaneous	292	10	0
Total Revenues	<u>138,959</u>	<u>19,678</u>	<u>66,665</u>
Expenditures			
Current			
Instruction	0	15,997	63,462
Support Services-Students	0	0	2,383
Support Services-Instruction	0	0	820
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	136,061	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>136,061</u>	<u>15,997</u>	<u>66,665</u>
Excess (Deficiency) of Revenues Over Expenditures	2,898	3,681	0
Fund Balances at Beginning of Year	<u>16,865</u>	<u>14,617</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 19,763</u>	<u>\$ 18,298</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, 2011

	Special Revenue		
	IDEA Preschool 24109	Title III English Language Acquisition 24153	Title II Teacher/Principal Training & Recruiting 24154
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	16,255	0	0
Miscellaneous	0	0	0
Total Revenues	<u>16,255</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	16,255	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	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>16,255</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue		
	Title IV Drug Free School & Community 24157	IDEA Part B Recovery Act 24206	Elementary School Breakfast Stimulus 24290
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	0	25,445	4,800
Miscellaneous	0	0	0
Total Revenues	0	25,445	4,800
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	25,445	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	4,800
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	0	25,445	4,800
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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, 2011

	Special Revenue		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program 25250	Education Job Fund 25255
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	17,146	54,525	90,655
Miscellaneous	0	0	0
Total Revenues	<u>17,146</u>	<u>54,525</u>	<u>90,655</u>
Expenditures			
Current			
Instruction	17,146	54,525	90,655
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>17,146</u>	<u>54,525</u>	<u>90,655</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, 2011

	Special Revenue		
	Maddox 26109	Duel Credit 27103	Library GO Bonds 27105
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	4,738	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>4,738</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	4,738	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	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>4,738</u>	<u>0</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, 2011

	Special Revenue		
	Technology for Education 27117	Incentives for School Improvement 27138	Beginning Teacher Mentoring 27154
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
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>0</u>
Expenditures			
Current			
Instruction	1,372	0	589
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>1,372</u>	<u>0</u>	<u>589</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,372)	0	(589)
Fund Balances at Beginning of Year	<u>2,815</u>	<u>241</u>	<u>589</u>
Fund Balance End of Year	<u>\$ 1,443</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, 2011

	Special Revenue		Capital Projects
	State Directed Activities 27200	Library Books 27549	Special Capital Outlay Local 31300
Revenues			
Interest Income	\$ 0	\$ 0	\$ 231
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	17,806	0	0
Miscellaneous	0	0	0
Total Revenues	17,806	0	231
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	5,013	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	12,793	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	17,806	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	231
Fund Balances at Beginning of Year	0	89	102,089
Fund Balance End of Year	\$ 0	\$ 89	\$ 102,320

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, 2011

	Capital Projects	Debt Service	
	Special Capital Outlay State 31400	Deferred Leave 42000	Total
Revenues			
Interest Income	\$ 0	\$ 109	\$ 382
Fees	0	3,270	62,915
State and Local Grants	0	0	4,738
Federal Grants	0	0	391,945
Miscellaneous	0	0	302
Total Revenues	<u>0</u>	<u>3,379</u>	<u>460,282</u>
Expenditures			
Current			
Instruction	0	0	264,739
Support Services-Students	0	0	32,841
Support Services-Instruction	0	0	820
Support Services-General Administration	0	3,270	16,063
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	140,861
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>3,270</u>	<u>455,324</u>
Excess (Deficiency) of Revenues Over Expenditures	0	109	4,958
Fund Balances at Beginning of Year	<u>0</u>	<u>48,148</u>	<u>192,029</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 48,257</u>	<u>\$ 196,987</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 31	\$ 31	\$ 24	\$ (7)
Fees	30,451	30,451	39,995	9,544
Federal Grant	105,870	105,870	91,187	(14,683)
Miscellaneous	0	0	292	292
Total Revenues	<u>136,352</u>	<u>136,352</u>	<u>131,498</u>	<u>(4,854)</u>
Expenditures				
Food Service				
Personnel Services	57,976	57,976	50,550	7,426
Employee Benefits	42,003	42,003	33,097	8,906
Other Purchased Services	159	0	0	0
Supplies	52,190	52,349	44,661	7,688
Total Food Service	<u>152,328</u>	<u>152,328</u>	<u>128,308</u>	<u>24,020</u>
Total Expenditures	<u>152,328</u>	<u>152,328</u>	<u>128,308</u>	<u>24,020</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,976)	(15,976)	3,190	19,166
Cash Balance Beginning of Year	<u>14,915</u>	<u>14,915</u>	<u>14,915</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(1,061)</u>	\$ <u>(1,061)</u>	\$ <u>18,105</u>	\$ <u>19,166</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,190	
Net Change in Inventory			(292)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2,898</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 23,105	\$ 23,105	\$ 19,650	\$ (3,455)
Investment Income	28	28	31	3
Miscellaneous	0	0	10	10
Total Revenues	<u>23,133</u>	<u>23,133</u>	<u>19,691</u>	<u>(3,442)</u>
Expenditures				
Instruction				
Professional & Tech Services	7,827	7,827	4,167	3,660
Other Purchased Services	20,731	21,731	11,831	9,900
Property	9,000	8,000	0	8,000
Total Instruction	<u>37,558</u>	<u>37,558</u>	<u>15,998</u>	<u>21,560</u>
Total Expenditures	<u>37,558</u>	<u>37,558</u>	<u>15,998</u>	<u>21,560</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,425)	(14,425)	3,693	18,118
Cash Balance Beginning of Year	<u>14,605</u>	<u>14,605</u>	<u>14,605</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 180</u>	<u>\$ 180</u>	<u>\$ 18,298</u>	<u>\$ 18,118</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,693	
Net Change in Interest Receivable			(12)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,681</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 114,659	\$ 191,141	\$ 98,103	\$ (93,038)
Total Revenues	<u>114,659</u>	<u>191,141</u>	<u>98,103</u>	<u>(93,038)</u>
Expenditures				
Instruction				
Personnel Services	28,029	67,900	39,871	28,029
Employee Benefits	9,428	19,481	10,052	9,429
Professional & Tech Services	7,600	7,600	0	7,600
Other Purchased Services	14,911	17,900	2,989	14,911
Supplies	<u>20,838</u>	<u>31,586</u>	<u>10,548</u>	<u>21,038</u>
Total Instruction	<u>80,806</u>	<u>144,467</u>	<u>63,460</u>	<u>81,007</u>
Support Services-Students				
Supplies	0	12,000	2,274	9,726
Supply Assets	<u>500</u>	<u>500</u>	<u>109</u>	<u>391</u>
Total Support Services-Students	<u>500</u>	<u>12,500</u>	<u>2,383</u>	<u>10,117</u>
Support Services-Instruction				
Supplies	<u>44</u>	<u>865</u>	<u>821</u>	<u>44</u>
Total Support Services-Instruction	<u>44</u>	<u>865</u>	<u>821</u>	<u>44</u>
Total Expenditures	<u>81,350</u>	<u>157,832</u>	<u>66,664</u>	<u>91,168</u>
Excess (Deficiency) of Revenues Over Expenditures	33,309	33,309	31,439	(1,870)
Cash Balance Beginning of Year	<u>(33,309)</u>	<u>(33,309)</u>	<u>(33,309)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,870)</u>	<u>\$ (1,870)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 31,439	
Net Change in Due from Grantor			<u>(31,439)</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 PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 16,255	\$ 9,658	\$ (6,597)
Total Revenues	<u>0</u>	<u>16,255</u>	<u>9,658</u>	<u>(6,597)</u>
Expenditures				
Instruction				
Personnel Services	0	12,192	12,192	0
Employee Benefits	<u>0</u>	<u>4,063</u>	<u>4,063</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>16,255</u>	<u>16,255</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>16,255</u>	<u>16,255</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(6,597)	(6,597)
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>\$ (6,597)</u>	<u>\$ (6,597)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,597)	
Net Change in Due from Grantor			<u>6,597</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 6,421	\$ 6,421	\$ 6,421	\$ 0
Total Revenues	<u>6,421</u>	<u>6,421</u>	<u>6,421</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
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	6,421	6,421	6,421	0
Cash Balance Beginning of Year	<u>(6,421)</u>	<u>(6,421)</u>	<u>(6,421)</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			\$ 6,421	
Net Change in Due from Grantor			<u>(6,421)</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 II-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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 6,000	\$ 6,000	\$ 0
Total Revenues	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	4,637	4,637	0
Employee Benefits	<u>0</u>	<u>1,363</u>	<u>1,363</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,000</u>	<u>6,000</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			<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 IV-DRUG FREE SCHOOL & COMMUNITY-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,304	\$ 1,304	\$ 1,304	\$ 0
Total Revenues	<u>1,304</u>	<u>1,304</u>	<u>1,304</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-Students	<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	1,304	1,304	1,304	0
Cash Balance Beginning of Year	<u>(1,304)</u>	<u>(1,304)</u>	<u>(1,304)</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			\$ 1,304	
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-IDEA, PART B RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 25,446	\$ 25,445	\$ (1)
Total Revenues	<u>0</u>	<u>25,446</u>	<u>25,445</u>	<u>(1)</u>
Expenditures				
Support Services-Students				
Personnel Services	0	21,049	21,049	0
Employee Benefits	<u>0</u>	<u>4,397</u>	<u>4,396</u>	<u>1</u>
Total Support Services-Students	<u>0</u>	<u>25,446</u>	<u>25,445</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>25,446</u>	<u>25,445</u>	<u>1</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-ELEMENTARY SCHOOL BREAKFAST STIMULUS-24290
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 4,800	\$ 4,800	\$ 0
Total Revenues	<u>0</u>	<u>4,800</u>	<u>4,800</u>	<u>0</u>
Expenditures				
Food Service				
Other Purchased Services	0	4,800	4,800	0
Total Food Service	<u>0</u>	<u>4,800</u>	<u>4,800</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,800</u>	<u>4,800</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,183	\$ 21,672	\$ 18,329	\$ (3,343)
Total Revenues	<u>1,183</u>	<u>21,672</u>	<u>18,329</u>	<u>(3,343)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	11,300	11,300	0
Other Purchased Services	0	500	23	477
Supplies	0	6,500	3,695	2,805
Supply Assets	0	2,189	2,128	61
Total Instruction	<u>0</u>	<u>20,489</u>	<u>17,146</u>	<u>3,343</u>
Total Expenditures	<u>0</u>	<u>20,489</u>	<u>17,146</u>	<u>3,343</u>
Excess (Deficiency) of Revenues Over Expenditures	1,183	1,183	1,183	0
Cash Balance Beginning of Year	<u>(1,183)</u>	<u>(1,183)</u>	<u>(1,183)</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			\$ 1,183	
Net Change in Due From Grantor			<u>(1,183)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 12,979	\$ 67,505	\$ 67,505	\$ 0
Total Revenues	<u>12,979</u>	<u>67,505</u>	<u>67,505</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	35,105	35,105	0
Employee Benefits	0	10,901	10,901	0
Supplies	<u>0</u>	<u>8,520</u>	<u>8,520</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>54,526</u>	<u>54,526</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>54,526</u>	<u>54,526</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	12,979	12,979	12,979	0
Cash Balance Beginning of Year	<u>(12,979)</u>	<u>(12,979)</u>	<u>(12,979)</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			\$ 12,979	
Net Change in Due From Grantor			<u>(12,979)</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-EDUCATION JOB FUND-25255
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 90,655	\$ 90,655	\$ 0
Total Revenues	<u>0</u>	<u>90,655</u>	<u>90,655</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	69,929	69,929	0
Employee Benefits	<u>0</u>	<u>20,726</u>	<u>20,726</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>90,655</u>	<u>90,655</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>90,655</u>	<u>90,655</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			<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-MADDOX-26109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 2,613	\$ 7,351	\$ 7,351	\$ 0
Total Revenues	<u>2,613</u>	<u>7,351</u>	<u>7,351</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	4,738	4,738	0
Total Instruction	<u>0</u>	<u>4,738</u>	<u>4,738</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,738</u>	<u>4,738</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,613	2,613	2,613	0
Cash Balance Beginning of Year	<u>(2,613)</u>	<u>(2,613)</u>	<u>(2,613)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,613	
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-LIBRARY GO BONDS-27105
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 7,689	\$ 7,689	\$ 7,689	\$ 0
Total Revenues	<u>7,689</u>	<u>7,689</u>	<u>7,689</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Supply Assets	<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	7,689	7,689	7,689	0
Cash Balance Beginning of Year	<u>(7,689)</u>	<u>(7,689)</u>	<u>(7,689)</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			\$ 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-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,390	\$ 0	\$ (1,390)
Total Revenues	<u>0</u>	<u>1,390</u>	<u>0</u>	<u>(1,390)</u>
Expenditures				
Instruction				
Supply Assets	0	1,390	1,372	18
Total Instruction	<u>0</u>	<u>1,390</u>	<u>1,372</u>	<u>18</u>
Total Expenditures	<u>0</u>	<u>1,390</u>	<u>1,372</u>	<u>18</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,372)	(1,372)
Cash Balance Beginning of Year	<u>2,815</u>	<u>2,815</u>	<u>2,815</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,815</u>	<u>\$ 2,815</u>	<u>\$ 1,443</u>	<u>\$ (1,372)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (1,372)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,372)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
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	0	0	0	0
Cash Balance Beginning of Year	<u>241</u>	<u>241</u>	<u>241</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 241</u>	<u>\$ 241</u>	<u>\$ 241</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-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	500	500	0
Employee Benefits	<u>0</u>	<u>89</u>	<u>89</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>589</u>	<u>589</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>589</u>	<u>589</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(589)	(589)	0
Cash Balance Beginning of Year	<u>589</u>	<u>589</u>	<u>589</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 589</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>\$ (589)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (589)</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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 17,806	\$ 17,806	\$ 0
Total Revenues	<u>0</u>	<u>17,806</u>	<u>17,806</u>	<u>0</u>
Expenditures				
Support Services-Students				
Personnel Services	0	4,147	4,147	0
Employee Benefits		866	866	0
Total Support Services-Students	<u>0</u>	<u>5,013</u>	<u>5,013</u>	<u>0</u>
Support Services-General Administration				
Personnel Services	0	10,550	10,550	0
Employee Benefits	<u>0</u>	<u>2,243</u>	<u>2,243</u>	<u>0</u>
Total Support Services-General Administration	<u>0</u>	<u>12,793</u>	<u>12,793</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>17,806</u>	<u>17,806</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-LIBRARY BOOKS FUND-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
Total Support 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	0	0
Cash Balance Beginning of Year	<u>89</u>	<u>89</u>	<u>89</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 89</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
 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 100	\$ 100	\$ 227	\$ 127
Total Revenues	<u>100</u>	<u>100</u>	<u>227</u>	<u>127</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	0	0	0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	100	100	227	127
Cash Balance Beginning of Year	<u>102,074</u>	<u>102,074</u>	<u>102,074</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 102,174</u>	<u>\$ 102,174</u>	<u>\$ 102,301</u>	<u>\$ 127</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 227	
Net Change in Interest Receivable			4	
Net Change in Fund Balance			<u>\$ 231</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-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	0	0	0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	50,000	50,000	50,000	0
Cash Balance Beginning of Year	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</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			\$ 50,000	
Net Change in Due from Grantor			<u>(50,000)</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 100	\$ 100	\$ 107	\$ 7
Deferred Sick Leave	0	0	3,270	3,270
Total Revenues	<u>100</u>	<u>100</u>	<u>3,377</u>	<u>3,277</u>
Expenditures				
Support Services-General Administration				
Employee Benefits	<u>44,246</u>	<u>44,246</u>	<u>3,270</u>	<u>40,976</u>
Total Support Services-General Administration	<u>44,246</u>	<u>44,246</u>	<u>3,270</u>	<u>40,976</u>
Total Expenditures	<u>44,246</u>	<u>44,246</u>	<u>3,270</u>	<u>40,976</u>
Excess (Deficiency) of Revenues Over Expenditures	(44,146)	(44,146)	107	44,253
Cash Balance Beginning of Year	<u>48,141</u>	<u>48,141</u>	<u>48,141</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,995</u>	<u>\$ 3,995</u>	<u>\$ 48,248</u>	<u>\$ 44,253</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 107	
Net change in Interest Receivable			<u>2</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 109</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, 2011

	Beginning Balance <u>06/30/10</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>06/30/11</u>
ASSETS				
Activity Trust Fund	\$ 54,614	\$ 108,233	\$ 93,997	\$ 68,850
TOTAL Assets	<u>\$ 54,614</u>	<u>\$ 108,233</u>	<u>\$ 93,997</u>	<u>\$ 68,850</u>
LIABILITIES				
Due to Student Groups	\$ 54,614	\$ 108,233	\$ 93,997	\$ 68,850
TOTAL Liabilities	<u>\$ 54,614</u>	<u>\$ 108,233</u>	<u>\$ 93,997</u>	<u>\$ 68,850</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, 2011

	Balance 6/30/2010	Additions	Deductions	Balance 06/30/11
ASSETS				
After Prom Party	\$ 522	\$ 4,465	\$ 4,273	\$ 714
Booster Club	489	2,633	341	2,781
Boys Basketball	708	2,678	1,615	1,771
Building Trades	1,026	0	662	364
Computer Lab	2,230	0	41	2,189
Dallas Mercantile	2,500	0	0	2,500
District 8	71	6,659	3,795	2,935
Drama	465	2,353	989	1,829
Elementary Teachers	312	2,308	2,262	358
FFA	59	32,345	30,593	1,811
Field House	0	1,354	368	986
Girls Basketball	0	550	550	0
Home Economics	10	0	0	10
HS A/R	1,252	182	1,300	134
HS Vending	1,509	6,142	6,045	1,606
Interest	182	80	0	262
Library	2,536	3,806	3,135	3,207
Miscellaneous	479	1,771	2,174	76
NHS	4,921	3,165	2,987	5,099
SCAT	0	1,147	749	398
Student Council	1,304	4,099	3,624	1,779
Summer Recreation	546	1,475	768	1,253
Textbooks	1,297	177	0	1,474
Varsity Cheerleaders	1,792	2,374	4,166	0
Varsity Gym	0	855	855	0
Volleyball	190	4,800	2,800	2,190
WERC Design Team	1,176	655	1,831	0
WERC Scholarship	1,142	0	654	488
Yearbooks	10,672	4,235	3,799	11,108
Class of 2010	2,555	0	2,554	1
Class of 2011	1,219	2,384	680	2,923
Class of 2012	70	15,321	10,387	5,004
Class of 2013	0	85	0	85
Class of 2014	30	65	0	95
Class of 2015	50	50	0	100
Class of 2016	0	20	0	20
Investment	13,300	0	0	13,300
Total Assets	\$ 54,614	\$ 108,233	\$ 93,997	\$ 68,850
LIABILITIES				
Deposits Held for Others	\$ 54,614	\$ 108,233	\$ 93,997	\$ 68,850
Total Liabilities	\$ 54,614	\$ 108,233	\$ 93,997	\$ 68,850

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, 2011

		Beginning Cash Balance 6/30/10	Revenue	Expenditures	Ending Cash Balance 6/30/11
Operational	11000	\$ 535,693	\$ 3,206,043	\$ 3,190,727	\$ 551,009
Teacherage	12000	0	7,750	0	7,750
Transportation	13000	5,998	224,879	230,877	0
Instructional Materials	14000	3,837	12,617	16,452	2
Food Services	21000	14,915	131,497	128,307	18,105
Athletics	22000	14,605	19,691	15,998	18,298
Federal Flowthrough	24000	(41,034)	176,010	179,256	(44,280)
Federal Direct	25000	(14,162)	176,489	162,327	0
Local Grants	26000	6,576	0	0	6,576
State Flowthrough	27000	(19,934)	60,876	52,535	(11,593)
Special Capital Outlay Local	31300	102,074	227	0	102,301
Special Capital Outlay State	31400	(50,000)	50,000	0	0
Senate Bill Nine	31700	232,886	277,047	315,910	194,023
Debt Service	41000	429,367	426,300	411,165	444,502
Deferred Sick Leave	42000	48,140	3,377	3,270	48,247
Agency Funds		54,614	108,232	93,996	68,850
Total		\$ <u>1,323,575</u>	\$ <u>4,881,035</u>	\$ <u>4,800,820</u>	\$ <u>1,403,790</u>

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

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the 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 SCHOOLS, (District), as of and for the year ended June 30, 2011, and have issued our report thereon dated September 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting; 10-5 and 11-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is describe in the accompanying schedule of findings and responses as item 10-5 and 11-1.

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

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

De'Ann Willoughby CPA PC

September 8, 2011

STATE OF NEW MEXICO
TATUM MUNICIPAL SCHOOLS
 Schedule of Findings and Responses
 For the Year Ended June 30, 2011

Prior Year Audit Findings		<u>Status</u>
10-1	Reporting of NMPSIA	Resolved
10-2	Reporting of RHCA	Resolved
10-3	Exceeded Budget Authority	Resolved
10-4	Timely deposits	Resolved
10-5	Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified

Current Year Audit Findings

10-5 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the Food Services Fund of \$(1,061)

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

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

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

Condition

During our field work we noticed that the District is not in accordance with Section 6-10-57(A) NMSA 1978. The District has not canceled checks that have not been cashed within a year of issue.

Criteria

In accordance with 6.20.2.14 whenever any check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

Cause

The old checks were overlooked by the business manager.

Effect

It is a violation of 6.20.2.14. There may be an opportunity to misappropriate cash with the non-canceled checks.

Recommendation

All checks older than a year should be canceled in accordance with Section 6-10-57(A), NMSA 1978.

Response

We will cancel the old checks in accordance with Section 6-10-57(A), NMSA 1978.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on September 8, 2011. Those present were Buddy Little-Superintendent, Brett Sterling-Board Vice-President, Christie Mullins-Payroll Clerk, Leslie Pearce-Business Manager and De'Aun Willoughby CPA.