



STATE OF NEW MEXICO  
**TATUM MUNICIPAL SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2012

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



STATE OF NEW MEXICO  
**TATUM MUNICIPAL SCHOOLS**  
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**TATUM MUNICIPAL SCHOOLS**  
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STATE OF NEW MEXICO  
**TATUM MUNICIPAL SCHOOLS**  
Official Roster  
June 30, 2012

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**BOARD OF EDUCATION**

Travis Glenn	President
Brett Sterling	Vice-President
Ben Powell	Secretary
Fernando Jimenez	Member
Aaron Bleyenber	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 School District, (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital projects fund, major debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital projects fund, major debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*De'Ann Willoughby CPA PC*

November 14, 2012

## **FINANCIAL SECTION**



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

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 748,955
Investments	558,496
Taxes Receivable	36,464
Due From Grantor	63,251
Inventory	<u>1,693</u>
Total Current Assets	<u>1,408,859</u>
Noncurrent Assets	
Capital Assets	16,400,392
Less: Accumulated Depreciation	<u>(10,281,559)</u>
Total Noncurrent Assets	<u>6,118,833</u>
Total Assets	<u>7,527,692</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	24,576
Accrued Interest	9,773
Current Portion of Long-Term Debt	<u>375,000</u>
Total Current Liabilities	<u>409,349</u>
Noncurrent Liabilities	
Compensated Absences	57,317
Bonds and Notes, Net	<u>779,978</u>
Total Noncurrent Liabilities	<u>837,295</u>
Total Liabilities	<u>1,246,644</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	4,963,855
Restricted for Capital Projects	62,030
Retirement of Long-Term Debt	527,233
Unrestricted	<u>727,930</u>
Total Net Assets	<u>\$ 6,281,048</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 2,966,888	\$ 0	\$ 204,301	\$ 0	\$ (2,762,587)
Support Service-Students	97,884	0	16,992	0	(80,892)
Support Services-Instruction	75,152	0	14,030	0	(61,122)
Support Services-General Administration	153,240	0	12,942	0	(140,298)
Support Services-School Administration	282,482	0	0	0	(282,482)
Central Services	163,472	0	0	0	(163,472)
Operation & Maintenance of Plant	631,611	7,500	0	0	(624,111)
Student Transportation	196,407	0	210,063	0	13,656
Other	2,470	0	0	0	(2,470)
Food Services	172,473	45,623	106,638	0	(20,212)
Community Service	9,616	0	0	0	(9,616)
Interest on Long-Term Obligations	44,410	0	0	0	(44,410)
Total Governmental Activities	<u>\$ 4,796,105</u>	<u>\$ 53,123</u>	<u>\$ 564,966</u>	<u>\$ 0</u>	<u>(4,178,016)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes 66,538					
Property Taxes, Levied for Capital Projects 272,127					
Property Taxes, Levied for Debt Service 416,282					
Federal and State aid not restricted to specific purpose					
General 3,220,093					
Capital 0					
Interest and investment earnings 2,257					
Miscellaneous 43,697					
Subtotal, General Revenues <u>4,020,994</u>					
<b>Other Items</b>					
Loss on Investments <u>(2,076)</u>					
Change in Net Assets (159,098)					
Net Assets - beginning <u>6,440,146</u>					
Net Assets - ending <u>\$ 6,281,048</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, 2012

	General		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 358,788	\$ 14,081	\$ 397
Investments	158,496	0	0
Receivables			
Property Taxes	3,332	0	0
Due From Grantor	0	0	0
Interfund Balance	63,251	0	0
Inventory	0	0	0
Total Assets	<u>\$ 583,867</u>	<u>\$ 14,081</u>	<u>\$ 397</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	4,701	0	180
Total Liabilities	<u>4,701</u>	<u>0</u>	<u>180</u>
<b>Fund Balances</b>			
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	579,166	14,081	217
Total Fund Balances	<u>579,166</u>	<u>14,081</u>	<u>217</u>
Total Liabilities and Fund Balances	<u>\$ 583,867</u>	<u>\$ 14,081</u>	<u>\$ 397</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, 2012

	General		Special Revenue	
	Instructional Material 14000		Title I 24101	IDEA B Entitlement 24106
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,270	\$	0	\$ 0
Investments	0		0	0
Receivables				
Property Taxes	0		0	0
Due From Grantor	0		31,922	23,456
Interfund Balance	0		0	0
Inventory	0		0	0
Total Assets	<u>\$ 3,270</u>	\$	<u>31,922</u>	<u>\$ 23,456</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Balance	\$ 0	\$	31,922	\$ 23,456
Accounts Payable	0		0	0
Total Liabilities	<u>0</u>		<u>31,922</u>	<u>23,456</u>
<b>Fund Balances</b>				
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	3,270		0	0
Total Fund Balances	<u>3,270</u>		<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 3,270</u>	\$	<u>31,922</u>	<u>\$ 23,456</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, 2012

	<u>Capital Projects</u>		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 168,543	\$ 59,319	\$ 144,557
Investments	0	400,000	0
Receivables			
Property Taxes	13,460	19,672	0
Due From Grantor	0	0	7,873
Interfund Balance	0	0	0
Inventory	0	0	1,693
Total Assets	<u>\$ 182,003</u>	<u>\$ 478,991</u>	<u>\$ 154,123</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 7,873
Accounts Payable	19,695	0	0
Total Liabilities	<u>19,695</u>	<u>0</u>	<u>7,873</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	1,693
Restricted for, reported in			
Special Revenue Funds	0	0	34,285
Capital Projects	0	0	62,030
Debt Service	0	478,991	48,242
Assigned-Capital Projects	162,308	0	0
Unassigned-General Fund	0	0	0
Total Fund Balances	<u>162,308</u>	<u>478,991</u>	<u>146,250</u>
Total Liabilities and Fund Balances	<u>\$ 182,003</u>	<u>\$ 478,991</u>	<u>\$ 154,123</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, 2012

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	<u>Total Governmental Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 748,955
Investments	558,496
Receivables	
Property Taxes	36,464
Due From Grantor	63,251
Interfund Balance	63,251
Inventory	1,693
Total Assets	<u>\$ 1,472,110</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Interfund Balance	\$ 63,251
Accounts Payable	<u>24,576</u>
Total Liabilities	<u>87,827</u>
Fund Balances	
Nonspendable-Inventory	1,693
Restricted for, reported in	
Special Revenue Funds	34,285
Capital Projects	62,030
Debt Service	527,233
Assigned-Capital Projects	162,308
Unassigned-General Fund	<u>596,734</u>
Total Fund Balances	<u>1,384,283</u>
Total Liabilities and Fund Balances	<u>\$ 1,472,110</u>

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

STATE OF NEW MEXICO  
**TATUM MUNICIPAL SCHOOLS**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2012

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Total Fund Balance - Governmental Funds \$ 1,384,283

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	\$ 16,400,392	
Accumulated depreciation is	<u>(10,281,559)</u>	6,118,833

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	(1,160,000)	
Issue Costs	25,115	
Accumulated Amortization	(20,093)	
Accrued Interest	(9,773)	
Compensated Absences	<u>(57,317)</u>	<u>(1,222,068)</u>

Total net assets - governmental activities	\$	<u><u>6,281,048</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, 2012

	General		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 66,538	\$ 0	\$ 0
Investment Income	1,267	0	0
Fees	0	7,500	0
State and Local Grants	3,220,093	0	210,063
Federal Grants	0	0	0
Miscellaneous	43,613	0	0
<b>Total Revenues</b>	<b>3,331,511</b>	<b>7,500</b>	<b>210,063</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	2,069,644	0	0
Support Services-Students	81,042	0	0
Support Services-Instruction	75,175	0	0
Support Services-General Administration	138,097	0	0
Support Services-School Administration	282,482	0	0
Central Services	163,472	0	0
Operation & Maintenance of Plant	393,882	1,169	0
Student Transportation	0	0	196,463
Other	2,470	0	0
Food Service	33,019	0	0
Community Services	9,616	0	0
Capital Outlay	56,800	0	13,384
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>3,305,699</b>	<b>1,169</b>	<b>209,847</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>25,812</b>	<b>6,331</b>	<b>216</b>
<b>Other Financing Sources (Uses)</b>			
Transfers	6,721	0	0
Loss on investments	(365)	0	0
<b>Total Other Sources (Uses)</b>	<b>6,356</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>32,168</b>	<b>6,331</b>	<b>216</b>
<b>Fund Balances at Beginning of Year</b>	<b>546,998</b>	<b>7,750</b>	<b>1</b>
<b>Fund Balance End of Year</b>	<b>\$ 579,166</b>	<b>\$ 14,081</b>	<b>\$ 217</b>

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, 2012

	Special Revenue		
	General		
	Instructional Material 14000	Title I 24101	IDEA B Entitlement 24106
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State and Local Grants	14,030	0	0
Federal Grants	0	87,875	56,769
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>14,030</b>	<b>87,875</b>	<b>56,769</b>
<b>Expenditures</b>			
Current			
Instruction	10,761	87,875	55,689
Support Services-Students	0	0	1,080
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
<b>Total Expenditures</b>	<b>10,761</b>	<b>87,875</b>	<b>56,769</b>
Excess (Deficiency) of Revenues Over Expenditures	3,269	0	0
Other Financing Sources (Uses)			
Transfers	0	0	0
Loss on investments	0	0	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	3,269	0	0
Fund Balances at Beginning of Year	1	0	0
Fund Balance End of Year	\$ 3,270	\$ 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, 2012

	<u>Capital Projects</u>		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Revenues			
Property Taxes	\$ 272,127	\$ 416,282	\$ 0
Investment Income	378	239	373
Fees	0	0	45,623
State and Local Grants	0	0	24,211
Federal Grants	0	0	172,018
Miscellaneous	0	0	84
Total Revenues	<u>272,505</u>	<u>416,521</u>	<u>242,309</u>
Expenditures			
Current			
Instruction	64,710	0	78,226
Support Services-Students	0	0	15,912
Support Services-Instruction	0	0	0
Support Services-General Administration	888	1,313	12,942
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	236,560	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Service	0	0	139,454
Community Services	0	0	0
Capital Outlay	12,033	0	39,403
Debt Service			
Principal	0	365,000	0
Interest	0	44,509	0
Total Expenditures	<u>314,191</u>	<u>410,822</u>	<u>285,937</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(41,686)</u>	<u>5,699</u>	<u>(43,628)</u>
Other Financing Sources (Uses)			
Transfers	0	0	(6,721)
Loss on investments	(559)	(764)	(388)
Total Other Sources (Uses)	<u>(559)</u>	<u>(764)</u>	<u>(7,109)</u>
Net Change in Fund Balance	(42,245)	4,935	(50,737)
Fund Balances at Beginning of Year	<u>204,553</u>	<u>474,056</u>	<u>196,987</u>
Fund Balance End of Year	<u>\$ 162,308</u>	<u>\$ 478,991</u>	<u>\$ 146,250</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, 2012

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	Total Governmental Funds
	<u>                    </u>
Revenues	
Property Taxes	\$ 754,947
Investment Income	2,257
Fees	53,123
State and Local Grants	3,468,397
Federal Grants	316,662
Miscellaneous	43,697
Total Revenues	<u>4,639,083</u>
Expenditures	
Current	
Instruction	2,366,905
Support Services-Students	98,034
Support Services-Instruction	75,175
Support Services-General Administration	153,240
Support Services-School Administration	282,482
Central Services	163,472
Operation & Maintenance of Plant	631,611
Student Transportation	196,463
Other	2,470
Food Service	172,473
Community Services	9,616
Capital Outlay	121,620
Debt Service	
Principal	365,000
Interest	44,509
Total Expenditures	<u>4,683,070</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(43,987)</u>
Other Financing Sources (Uses)	
Transfers	0
Loss on investments	(2,076)
Total Other Sources (Uses)	<u>(2,076)</u>
Net Change in Fund Balance	(46,063)
Fund Balances at Beginning of Year	<u>1,430,346</u>
Fund Balance End of Year	<u>\$ 1,384,283</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, 2012

Net Change in Fund Balance \$ (46,063)

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	\$	(596,619)	
Capital Outlays		<u>121,620</u>	(474,999)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 365,000

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, 2011		12,384	
Accrued Interest, June 30, 2012		<u>(9,773)</u>	2,611

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

Compensated Absences, June 30, 2011		54,182	
Compensated Absences, June 30, 2012		<u>(57,317)</u>	<u>(3,135)</u>

Changes in Net Assets of Governmental Activities		\$	<u><u>(159,098)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 54,679	\$ 54,679	\$ 67,428	\$ 12,749
Investment Income	1,300	1,300	1,296	(4)
State Grant	3,208,212	3,220,093	3,220,093	0
Miscellaneous	9,000	56,800	43,613	(13,187)
<b>Total Revenues</b>	<b>3,273,191</b>	<b>3,332,872</b>	<b>3,332,430</b>	<b>(442)</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,683,053	1,685,409	1,504,745	180,664
Employee Benefits	528,989	510,287	427,111	83,176
Professional & Tech Services	17,250	29,200	19,608	9,592
Purchased Property Services	3,000	3,000	2,968	32
Other Purchased Services	39,943	50,475	47,129	3,346
Supplies	111,800	108,164	68,958	39,206
Fixed Assets	0	0	0	0
Supply Assets	44,000	42,800	3,770	39,030
<b>Total Instruction</b>	<b>2,428,035</b>	<b>2,429,335</b>	<b>2,074,289</b>	<b>355,046</b>
<b>Support Services-Students</b>				
Personnel Services	19,491	18,986	11,804	7,182
Employee Benefits	4,295	4,800	2,900	1,900
Professional & Tech Services	82,865	82,853	66,327	16,526
Supplies	0	12	12	0
<b>Total Support Services-Students</b>	<b>106,651</b>	<b>106,651</b>	<b>81,043</b>	<b>25,608</b>
<b>Support Services-Instruction</b>				
Personnel Services	62,371	65,371	50,399	14,972
Employee Benefits	22,130	22,130	17,793	4,337
Professional & Tech Services	15,500	6,984	6,983	1
Supplies	1,200	416	0	416
<b>Total Support Services-Instruction</b>	<b>101,201</b>	<b>94,901</b>	<b>75,175</b>	<b>19,726</b>
<b>Support Services-General Administration</b>				
Personnel Services	106,300	106,300	91,797	14,503
Employee Benefits	30,405	30,305	24,984	5,321
Professional & Tech Services	14,670	15,970	13,127	2,843
Purchased Property Services	10,750	7,240	4,514	2,726
Other Purchased Services	7,750	7,750	2,980	4,770
Supplies	4,000	4,450	2,675	1,775
Supply Assets	770	320	0	320
<b>Total Support Services-General Administration</b>	<b>174,645</b>	<b>172,335</b>	<b>140,077</b>	<b>32,258</b>

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Support Services-School Administration</b>				
Personnel Services	\$ 207,000	\$ 211,000	\$ 210,196	\$ 804
Employee Benefits	66,640	68,990	68,275	715
Professional & Tech Services	550	1,143	655	488
Other Purchased Services	3,000	3,000	2,220	780
Supplies	6,000	7,757	2,019	5,738
Supply Assets	4,000	1,600	0	1,600
Total Support Services-School Administration	<u>287,190</u>	<u>293,490</u>	<u>283,365</u>	<u>10,125</u>
<b>Central Services</b>				
Personnel Services	99,260	99,260	99,176	84
Employee Benefits	40,615	39,275	37,611	1,664
Professional & Tech Services	1,750	6,510	6,171	339
Purchased Property Services	8,000	10,380	10,379	1
Other Purchased Services	3,400	2,122	2,121	1
Supplies	4,200	7,788	7,767	21
Supply Assets	1,800	0	0	0
Total Central Services	<u>159,025</u>	<u>165,335</u>	<u>163,225</u>	<u>2,110</u>
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	154,207	154,207	145,765	8,442
Employee Benefits	54,549	54,632	47,545	7,087
Professional & Tech Services	500	500	0	500
Purchased Property Services	126,590	123,775	92,321	31,454
Other Purchased Services	80,470	81,212	80,582	630
Supplies	19,900	26,550	19,534	7,016
Fixed Assets	0	0	56,800	(56,800)
Supply Assets	5,000	71,151	4,361	66,790
Total Operation & Maintenance of Plant	<u>441,216</u>	<u>512,027</u>	<u>446,908</u>	<u>65,119</u>
<b>Other Support Services</b>				
Professional & Tech Services	18,079	18,079	2,542	15,537
Total Other Support Services	<u>18,079</u>	<u>18,079</u>	<u>2,542</u>	<u>15,537</u>
<b>Food Service</b>				
Professional & Tech Services	300	225	55	170
Other Purchased Services	200	333	333	0
Supplies	34,000	33,942	32,631	1,311
Total Food Service	<u>\$ 34,500</u>	<u>\$ 34,500</u>	<u>\$ 33,019</u>	<u>\$ 1,481</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Community Service				
Personnel Services	\$ 17,000	\$ 17,000	\$ 8,663	\$ 8,337
Employee Benefits	3,080	2,830	829	2,001
Professional & Tech Services	0	250	125	125
Total Community Service	<u>20,080</u>	<u>20,080</u>	<u>9,617</u>	<u>10,463</u>
Total Expenditures	<u>3,770,622</u>	<u>3,846,733</u>	<u>3,309,260</u>	<u>537,473</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(497,431)</u>	<u>(513,861)</u>	<u>23,170</u>	<u>537,031</u>
Other Financing Sources (Uses)				
Transfers	0	0	6,721	6,721
Loss on Investments	0	0	(365)	(365)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>6,356</u>	<u>6,356</u>
Net Change in Cash Balance	(497,431)	(513,861)	29,526	543,387
Cash Balance Beginning of Year	<u>551,009</u>	<u>551,009</u>	<u>551,009</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 53,578</u>	<u>\$ 37,148</u>	<u>\$ 580,535</u>	<u>\$ 543,387</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 29,526	
Net Change in Investment Receivable			(29)	
Net Change in Taxes Receivable			(890)	
Net Change in Accounts Payable			3,561	
Net Change in Fund Balance			<u>\$ 32,168</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees-Rents	\$ 7,500	\$ 7,500	\$ 7,500	\$ 0
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>0</u>
<b>Expenditures</b>				
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	5,000	5,000	0	5,000
Employee Benefits	1,350	1,350	0	1,350
Purchased Property Services	2,900	2,900	0	2,900
Other Purchased Services	1,000	1,000	1,000	0
Supplies	2,500	2,500	169	2,331
Supply Assets	2,500	2,500	0	2,500
Total Operation & Maintenance of Plant	<u>15,250</u>	<u>15,250</u>	<u>1,169</u>	<u>2,500</u>
Total Expenditures	<u>15,250</u>	<u>15,250</u>	<u>1,169</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,750)	(7,750)	6,331	14,081
Cash Balance Beginning of Year	<u>7,750</u>	<u>7,750</u>	<u>7,750</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>14,081</u>	\$ <u>14,081</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>6,331</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>6,331</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 206,717	\$ 210,063	\$ 210,063	\$ 0
Total Revenues	<u>206,717</u>	<u>210,063</u>	<u>210,063</u>	<u>0</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Personnel Services	100,402	78,041	77,910	131
Employee Benefits	58,560	47,454	47,199	255
Professional & Tech Services	1,025	983	983	0
Purchased Property Services	10,200	27,091	27,085	6
Other Purchased Services	5,170	5,224	5,223	1
Supplies	31,360	37,886	37,883	3
Fixed Assets	0	13,384	13,384	0
Total Student Transportation	<u>206,717</u>	<u>210,063</u>	<u>209,667</u>	<u>396</u>
Total Expenditures	<u>206,717</u>	<u>210,063</u>	<u>209,667</u>	<u>396</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	396	396
Cash Balance Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 397</u>	<u>\$ 396</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 396	
Net Change in Accounts Payable			(180)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 216</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 11,366	\$ 14,030	\$ 14,030	\$ 0
Total Revenues	<u>11,366</u>	<u>14,030</u>	<u>14,030</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	11,366	14,030	10,761	3,269
Total Instruction	<u>11,366</u>	<u>14,030</u>	<u>10,761</u>	<u>3,269</u>
<b>Support Services-Instruction</b>				
Supplies			0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>11,366</u>	<u>14,030</u>	<u>10,761</u>	<u>3,269</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,269	3,269
Cash Balance Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 3,270</u>	<u>\$ 3,269</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,269	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,269</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 87,248	\$ 168,958	\$ 57,339	\$ (111,619)
Total Revenues	<u>87,248</u>	<u>168,958</u>	<u>57,339</u>	<u>(111,619)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	43,142	46,072	42,992	3,080
Employee Benefits	18,629	13,899	11,813	2,086
Professional & Tech Services	4,879	23,259	14,400	8,859
Other Purchased Services	15,000	17,800	2,062	15,738
Supplies	1,428	52,763	12,629	40,134
Supply Assets	0	10,995	3,495	7,500
Total Instruction	<u>83,078</u>	<u>164,788</u>	<u>87,391</u>	<u>77,397</u>
<b>Support Services-Instruction</b>				
Supplies	2,300	2,300	0	2,300
Total Support Services-Instruction	<u>2,300</u>	<u>2,300</u>	<u>0</u>	<u>2,300</u>
Total Expenditures	<u>85,378</u>	<u>167,088</u>	<u>87,391</u>	<u>79,697</u>
Excess (Deficiency) of Revenues Over Expenditures	1,870	1,870	(30,052)	(31,922)
Cash Balance Beginning of Year	<u>(1,870)</u>	<u>(1,870)</u>	<u>(1,870)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (31,922)</u>	<u>\$ (31,922)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (30,052)	
Net Change in Due from Grantor			30,535	
Net Change in Accounts Payable			(483)	
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 B ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 96,890	\$ 96,890	\$ 53,830	\$ (43,060)
Total Revenues	<u>96,890</u>	<u>96,890</u>	<u>53,830</u>	<u>(43,060)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	49,862	49,862	43,777	6,085
Employee Benefits	<u>22,700</u>	<u>22,700</u>	<u>11,912</u>	<u>10,788</u>
Total Instruction	<u>72,562</u>	<u>72,562</u>	<u>55,689</u>	<u>16,873</u>
<b>Support Services-Students</b>				
Personnel Services	3,510	3,510	997	2,513
Employee Benefits	<u>301</u>	<u>301</u>	<u>83</u>	<u>218</u>
Total Support Services-Students	<u>3,811</u>	<u>3,811</u>	<u>1,080</u>	<u>2,731</u>
Total Expenditures	<u>76,373</u>	<u>76,373</u>	<u>56,769</u>	<u>19,604</u>
Excess (Deficiency) of Revenues Over Expenditures	20,517	20,517	(2,939)	(23,456)
Cash Balance Beginning of Year	<u>(20,517)</u>	<u>(20,517)</u>	<u>(20,517)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(23,456)</u>	\$ <u>(23,456)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,939)	
Net Change in Due from Grantor			<u>2,939</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, 2012

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 71,134
Total Assets	<u>\$ 71,134</u>
Liabilities	
Deposits Held for Others	\$ 71,134
Total Liabilities	<u>\$ 71,134</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**

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

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

**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:

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 1st. 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.

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2. Prior to June 20th, 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.

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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".

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.

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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.

<u>Name of Account</u>	Balance Per Bank 6/30/12	Reconciled Balance	<u>Type</u>	
General	\$ 956,546	\$ 736,920	Checking	Interest
School Lunch	27,136	14,738	Checking	Interest
Athletics	11,101	10,569	Checking	Interest
Activity	59,173	57,861	Checking	Interest
TOTAL Deposited	<u>1,053,956</u>	<u>\$ 820,088</u>		
Less: FDIC Coverage	<u>(250,000)</u>			
Uninsured Amount	803,956			
50% collateral requirement	401,978			
Pledged securities	<u>735,245</u>			
Over (Under) requirement	<u>\$ 333,267</u>			

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

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

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLMC #420175	31346AFQ3	\$ 26,567	3/1/2019	FHLB Dallas, TX
FHLMC ARM #420088 7001264	31346ACZ6	4,667	8/1/2016	FHLB Dallas, TX
GNMA #8390	36202KKB0	10,627	8/20/2018	FHLB Dallas, TX
GNMA #8324	36202KG90	15,608	11/20/2023	FHLB Dallas, TX
GNMA #80643	36225CWD4	25,691	10/20/2032	FHLB Dallas, TX
GNMA #80500	36225CRW8	44,660	3/20/2031	FHLB Dallas, TX
GNMA #80515	36225CSD9	9,521	5/20/2031	FHLB Dallas, TX
FNMA #604975	31388HCL1	300,535	9/1/2031	FHLB Dallas, TX
FNMA #420192B	31346AF91	31,179	6/1/2029	FHLB Dallas, TX
FNMA #888129	31410FVW2	266,190	2/1/2037	FHLB Dallas, TX
		<u>\$ 735,245</u>		

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**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	735,245
Uninsured and uncollateralized	68,711
Total Deposits	<u>\$ 1,053,956</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2012 \$68,711 of the District's bank balance of \$1,053,956, was exposed to custodial credit risk.

<b>New Mexico State Treasurer</b>	Balance	Reconciled	Type
<u>Name of Account</u>	<u>Per Bank 6/30/12</u>	<u>Balance</u>	
Tatum Municipal School	\$ 8,974	\$ 8,974	Savings
TMS Reserve Contingencies	4	4	Savings
Tatum Municipal School	13,267	13,267	Savings
TMS Reserve Contingencies	7	7	Savings
Tatum Municipal School	61,708	61,708	Savings
TMS Reserve Contingencies	49	49	Savings
Tatum Municipal School	164,328	164,328	Savings
TMS Reserve Contingencies	113	113	Savings
Tatum Municipal School	149,562	149,562	Savings
TMS Reserve Contingencies	73	73	Savings
Tatum Municipal School	113,382	113,382	Savings
TMS Reserve Contingencies	154	154	Savings
TMS LGIP Pool 4101	46,853	46,853	Savings
TMS Reserve Contingencies	23	23	Savings
TOTAL Deposited	<u>\$ 558,497</u>	<u>\$ 558,497</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.

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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](http://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](http://www.stonm.org). As of June 30, 2012, the LGIP WAM (R) is 60 days and WAM (F) IS 83 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
	Title I 24101	IDEA B Entitlement 24106	Other Governmental Funds	
	General Fund	\$ 31,922	\$ 23,456	
Totals	\$ 31,922	\$ 23,456	\$ 7,873	\$ 63,251

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

**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2012:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Total
Property Taxes Receivable:				
Available	\$ 3,332	\$ 13,460	\$ 19,672	\$ 36,464
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	\$ 3,332	\$ 13,460	\$ 19,672	\$ 36,464

**NOTE E: DUE FROM GRANTOR**

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

Federal Agencies	\$ 62,644
State Agencies	607
Total	\$ 63,251



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**NOTE F: CAPITAL ASSETS**

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

	Balance 6/30/11	Increases	Decreases	Balance 6/30/12
<b>Governmental Activities</b>				
Capital Assets, not being Depreciated				
Land	\$ 819,961	\$ 0	\$ 0	\$ 819,961
Total Capital Assets, not being Depreciated	<u>819,961</u>	<u>0</u>	<u>0</u>	<u>819,961</u>
Capital Assets, being Depreciated				
Buildings & Improvements	13,009,867	109,588	0	13,119,455
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,448,945</u>	<u>12,031</u>	<u>0</u>	<u>2,460,976</u>
Total Capital Assets, being Depreciated	<u>15,458,811</u>	<u>121,619</u>	<u>0</u>	<u>15,580,431</u>
Total Capital Assets	<u>16,278,772</u>	<u>121,619</u>	<u>0</u>	<u>16,400,392</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	8,129,537	489,550	0	8,619,087
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,555,402</u>	<u>107,070</u>	<u>0</u>	<u>1,662,472</u>
Total Accumulated Depreciation	<u>9,684,940</u>	<u>596,620</u>	<u>0</u>	<u>10,281,559</u>
Capital Assets, net	<u>\$ 6,593,832</u>	<u>\$ (475,001)</u>	<u>\$ 0</u>	<u>\$ 6,118,833</u>

**NOTE G: LONG TERM DEBT**

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

	Balance 6/30/11	Additions	Reductions	Balance 6/30/12	Amounts Due Within One Year
<b>Governmental Activities</b>					
General Obligation					
Bonds	\$ 1,525,000	\$ 0	\$ 365,000	\$ 1,160,000	\$ 375,000
Total Bonds	<u>1,525,000</u>	<u>0</u>	<u>365,000</u>	<u>1,160,000</u>	<u>375,000</u>
Other Liabilities					
Compensated Absences					
	<u>54,182</u>	<u>9,799</u>	<u>6,664</u>	<u>57,317</u>	<u>0</u>
Total Other Liabilities	<u>54,182</u>	<u>9,799</u>	<u>6,664</u>	<u>57,317</u>	<u>0</u>
Long-Term Liabilities	<u>\$ 1,579,182</u>	<u>\$ 9,799</u>	<u>\$ 371,664</u>	<u>\$ 1,217,317</u>	<u>\$ 375,000</u>

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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.

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
2004	05-21-04	3,500,000	1.15%-3.52%	\$ 1,160,000
				<u>\$ 1,160,000</u>

The annual requirements to amortize the 2004 Series general obligation bonds as of June 30, 2012, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 375,000	\$ 33,113	\$ 408,113
2014	385,000	20,606	405,606
2015	400,000	7,040	407,040
	<u>\$ 1,160,000</u>	<u>\$ 60,759</u>	<u>\$ 1,220,759</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	\$ 1,160,000
Net Issue Costs/Premium/Discounts on Bond Issues	(5,022)
	<u>\$ 1,154,978</u>

Government Wide Statements	
Amount Reported as Current Amount Due	\$ 375,000
Amount Reported as Long-Term Due	779,978
Statement of Net Assets	<u>\$ 1,154,978</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](http://www.nmerb.org).

Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2012, 2011, and 2010, were \$468,330, \$468,520, and \$407,990 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](http://www.nmrhca.state.nm.us).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$66,467, \$57,121 and \$36,919 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 \$52,048. The revenues and expenditures are reported as the following special revenue fund:

27149	Pre-K
27200	State Directed

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 224,765	\$ 224,765	\$ 275,885	\$ 51,120
Investment Income	0	0	413	413
State Grant	2,663	0	0	0
Total Revenues	<u>227,428</u>	<u>224,765</u>	<u>276,298</u>	<u>51,533</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Professional & Tech Services	2,000	2,000	888	1,112
Total Support Services-General Administration	<u>2,000</u>	<u>2,000</u>	<u>888</u>	<u>1,112</u>
<b>Capital Outlay</b>				
Maintenance & Repair of Plant	150,000	204,400	177,224	27,176
Software	18,000	28,000	8,523	19,477
Supplies	45,000	50,500	46,363	4,137
Land Improvements	22,000	7,000	0	7,000
Fixed Assets	132,383	54,633	12,033	42,600
Supply Assets	50,000	72,250	56,187	16,063
Total Capital Outlay	<u>417,383</u>	<u>416,783</u>	<u>300,330</u>	<u>116,453</u>
Total Expenditures	<u>419,383</u>	<u>418,783</u>	<u>301,218</u>	<u>117,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(191,955)</u>	<u>(194,018)</u>	<u>(24,920)</u>	<u>169,098</u>
<b>Other Financing Sources (Uses)</b>				
Loss on Investments	0	0	(559)	(559)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(559)</u>	<u>(559)</u>
Net Change in Cash Balance	(191,955)	(194,018)	(25,479)	168,539
Cash Balance Beginning of Year	<u>194,022</u>	<u>194,022</u>	<u>194,022</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,067</u>	<u>\$ 4</u>	<u>\$ 168,543</u>	<u>\$ 168,539</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (24,920)	
Net Change in Interest Receivable			(35)	
Net Change in Taxes Receivable			(3,758)	
Net Change in Accounts Payable			<u>(12,973)</u>	
Net Change in Fund Balance			<u>\$ (41,686)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 409,515	\$ 409,515	\$ 426,140	\$ 16,625
Investment Income	270	270	261	(9)
Total Revenues	<u>409,785</u>	<u>409,785</u>	<u>426,401</u>	<u>16,616</u>
<b>Expenditures</b>				
Support Services-General Administration				
Professional & Tech Services	<u>1,200</u>	<u>1,350</u>	<u>1,312</u>	<u>38</u>
Total Support Services-General Administration	<u>1,200</u>	<u>1,350</u>	<u>1,312</u>	<u>38</u>
Debt Service				
Principal	365,000	365,000	365,000	0
Interest	<u>44,515</u>	<u>44,515</u>	<u>44,509</u>	<u>6</u>
Total Debt Service	<u>409,515</u>	<u>409,515</u>	<u>409,509</u>	<u>6</u>
Total Expenditures	<u>410,715</u>	<u>410,865</u>	<u>410,821</u>	<u>44</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(930)</u>	<u>(1,080)</u>	<u>15,580</u>	<u>16,660</u>
Other Financing Sources (Uses)				
Loss on Investments	<u>0</u>	<u>0</u>	<u>(764)</u>	<u>(764)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(764)</u>	<u>(764)</u>
Net Change in Cash Balance	(930)	(1,080)	14,816	15,896
Cash Balance Beginning of Year	<u>444,503</u>	<u>444,503</u>	<u>444,503</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 443,573</u>	<u>\$ 443,423</u>	<u>\$ 459,319</u>	<u>\$ 15,896</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 14,816	
Net Change in Interest Receivable			(22)	
Net Change in Taxes Receivable			<u>(9,859)</u>	
Net Change in Fund Balance			<u>\$ 4,935</u>	

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



**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

**NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

**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 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.

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

**Education Job Fund (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).

**NONMAJOR SPECIAL REVENUE FUNDS**

**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.

**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.

**NONMAJOR DEBT SERVICE FUND**

**DEBT SERVICE-Deferred 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, 2012

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,737	\$ 19,548	\$ 0
Receivables			
Due From Grantor	0	0	7,286
Inventory	1,693	0	0
Total Assets	<u>\$ 16,430</u>	<u>\$ 19,548</u>	<u>\$ 7,286</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 7,286
Total Liabilities	<u>0</u>	<u>0</u>	<u>7,286</u>
Fund Balance			
Nonspendable-Inventory	1,693	0	0
Restricted for, reported in			
Special Revenue Funds	14,737	19,548	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>16,430</u>	<u>19,548</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 16,430</u>	<u>\$ 19,548</u>	<u>\$ 7,286</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, 2012

	Special Revenue		
	Title II Teacher/Principal Training & Recruiting 24154	Title I Recovery Act 24201	Rural Education Achievement Program 25233
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 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, 2012

	Special Revenue		
	Education Job Fund 25255	Maddox 26109	Duel Credit 27103
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	154
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 154</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 154
Total Liabilities	<u>0</u>	<u>0</u>	<u>154</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>\$ 154</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, 2012

	Special Revenue		
	Library GO Bonds 27105	Technology for Education 27117	Incentives for School Improvement 27138
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	433	0	0
Inventory	0	0	0
Total Assets	<u>\$ 433</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 433	\$ 0	\$ 0
Total Liabilities	<u>433</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>\$ 433</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, 2012

	Special Revenue		
	Pre K 27149	State Directed Activities 27200	Library Books 27549
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 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, 2012

	<u>Capital Projects</u>	<u>Debt Service</u>	
	Special Capital Outlay Local 31300	Deferred Leave 42000	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 62,030	\$ 48,242	\$ 144,557
Receivables			
Due From Grantor	0	0	7,873
Inventory	0	0	1,693
Total Assets	<u>\$ 62,030</u>	<u>\$ 48,242</u>	<u>\$ 154,123</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 7,873
Total Liabilities	<u>0</u>	<u>0</u>	<u>7,873</u>
Fund Balance			
Nonspendable-Inventory	0	0	1,693
Restricted for, reported in			
Special Revenue Funds	0	0	34,285
Capital Projects	62,030	0	62,030
Debt Service	0	48,242	48,242
Total Fund Balance	<u>62,030</u>	<u>48,242</u>	<u>146,250</u>
Total Liabilities and Fund Balance	<u>\$ 62,030</u>	<u>\$ 48,242</u>	<u>\$ 154,123</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, 2012

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
<b>Revenues</b>			
Investment Income	\$ 23	\$ 32	\$ 0
Fees	29,376	16,247	0
State and Local Grants	0	0	0
Federal Grants	106,638	0	16,255
Miscellaneous	84	0	0
<b>Total Revenues</b>	<u>136,121</u>	<u>16,279</u>	<u>16,255</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	15,007	16,255
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	139,454	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>139,454</u>	<u>15,007</u>	<u>16,255</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,333)</u>	<u>1,272</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	0
Loss on investments	0	(22)	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>(22)</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	(3,333)	1,250	0
<b>Fund Balances at Beginning of Year</b>	<u>19,763</u>	<u>18,298</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 16,430</u>	<u>\$ 19,548</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, 2012

	Special Revenue		
	Title II Teacher/Principal Training & Recruiting 24154	Title I Recovery Act 24201	Rural Education Achievement Program 25233
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	0
Federal Grants	273	0	18,656
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>273</b>	<b>0</b>	<b>18,656</b>
<b>Expenditures</b>			
Current			
Instruction	273	0	18,656
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<b>273</b>	<b>0</b>	<b>18,656</b>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers	0	0	0
Loss on investments	0	0	0
<b>Total Other Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	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, 2012

	Special Revenue		
	Education Job Fund 25255	Maddox 26109	Duel Credit 27103
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	0	0	584
Federal Grants	1,342	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>1,342</u>	<u>0</u>	<u>584</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	1,342	0	584
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>1,342</u>	<u>0</u>	<u>584</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	(6,576)	0
Loss on investments	0	0	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>(6,576)</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	(6,576)	0
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>6,576</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<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, 2012

	Special Revenue		
	Library GO Bonds 27105	Technology for Education 27117	Incentives for School Improvement 27138
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	433	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>433</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	433	1,387	241
Support Services-Students	0	0	0
Support Services-General Administration	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>433</u>	<u>1,387</u>	<u>241</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>0</u>	<u>(1,387)</u>	<u>(241)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	(56)	0
Loss on investments	0	0	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>(56)</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	(1,443)	(241)
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>1,443</u>	<u>241</u>
<b>Fund Balance End of Year</b>	<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, 2012

	Special Revenue		
	Pre K 27149	State Directed Activities 27200	Library Books 27549
<b>Revenues</b>			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State and Local Grants	23,194	0	0
Federal Grants	0	28,854	0
Miscellaneous	0	0	0
Total Revenues	<u>23,194</u>	<u>28,854</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	23,194	0	0
Support Services-Students	0	15,912	0
Support Services-General Administration	0	12,942	0
Food Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>23,194</u>	<u>28,854</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	(89)
Loss on investments	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(89)</u>
Net Change in Fund Balance	0	0	(89)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>89</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, 2012

	Capital Projects	Debt Service	
	Special Capital Outlay Local 31300	Deferred Leave 42000	Total
<b>Revenues</b>			
Investment Income	\$ 210	\$ 108	\$ 373
Fees	0	0	45,623
State and Local Grants	0	0	24,211
Federal Grants	0	0	172,018
Miscellaneous	0	0	84
Total Revenues	<u>210</u>	<u>108</u>	<u>242,309</u>
<b>Expenditures</b>			
Current			
Instruction	854	0	78,226
Support Services-Students	0	0	15,912
Support Services-General Administration	0	0	12,942
Food Service	0	0	139,454
Capital Outlay	39,403	0	39,403
Total Expenditures	<u>40,257</u>	<u>0</u>	<u>285,937</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,047)</u>	<u>108</u>	<u>(43,628)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers	0	0	(6,721)
Loss on investments	(243)	(123)	(388)
Total Other Sources (Uses)	<u>(243)</u>	<u>(123)</u>	<u>(7,109)</u>
Net Change in Fund Balance	(40,290)	(15)	(50,737)
Fund Balances at Beginning of Year	<u>102,320</u>	<u>48,257</u>	<u>196,987</u>
Fund Balance End of Year	<u>\$ 62,030</u>	<u>\$ 48,242</u>	<u>\$ 146,250</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 20	\$ 20	\$ 23	\$ 3
Fees	41,250	41,250	29,376	(11,874)
Federal Grant	90,000	90,000	94,330	4,330
Miscellaneous	0	0	84	84
Total Revenues	<u>131,270</u>	<u>131,270</u>	<u>123,813</u>	<u>(7,457)</u>
<b>Expenditures</b>				
<b>Food Service</b>				
Personnel Services	52,779	53,279	49,809	3,470
Employee Benefits	35,131	38,661	36,476	2,185
Other Purchased Services	48,500	4,868	0	4,868
Supplies	8,898	48,500	40,896	7,604
Total Food Service	<u>145,308</u>	<u>145,308</u>	<u>127,181</u>	<u>18,127</u>
Total Expenditures	<u>145,308</u>	<u>145,308</u>	<u>127,181</u>	<u>18,127</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,038)	(14,038)	(3,368)	10,670
Cash Balance Beginning of Year	<u>18,105</u>	<u>18,105</u>	<u>18,105</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,067</u>	<u>\$ 4,067</u>	<u>\$ 14,737</u>	<u>\$ 10,670</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,368)	
Net Change in Inventory			35	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,333)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 30	\$ 30	\$ 32	\$ 2
Fees	18,000	18,000	16,247	(1,753)
Total Revenues	<u>18,030</u>	<u>18,030</u>	<u>16,279</u>	<u>(1,751)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	7,000	7,000	4,845	2,155
Other Purchased Services	23,000	23,000	10,162	12,838
Property	6,317	6,317	0	6,317
Total Instruction	<u>36,317</u>	<u>36,317</u>	<u>15,007</u>	<u>21,310</u>
Total Expenditures	<u>36,317</u>	<u>36,317</u>	<u>15,007</u>	<u>21,310</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,287)</u>	<u>(18,287)</u>	<u>1,272</u>	<u>19,559</u>
<b>Other Financing Sources (Uses)</b>				
Loss on Investments	0	0	(22)	(22)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(22)</u>	<u>(22)</u>
Net Change in Cash Balance	(18,287)	(18,287)	1,250	19,537
Cash Balance Beginning of Year	<u>18,298</u>	<u>18,298</u>	<u>18,298</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ 19,548</u>	<u>\$ 19,537</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 1,250	
Net Change in Fund Balance			\$ 1,250	

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 22,852	\$ 22,852	\$ 15,566	\$ (7,286)
Total Revenues	<u>22,852</u>	<u>22,852</u>	<u>15,566</u>	<u>(7,286)</u>
Expenditures				
Instruction				
Personnel Services	12,239	12,189	12,189	0
Employee Benefits	4,016	4,066	4,066	0
Total Instruction	<u>16,255</u>	<u>16,255</u>	<u>16,255</u>	<u>0</u>
Total Expenditures	<u>16,255</u>	<u>16,255</u>	<u>16,255</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	6,597	6,597	(689)	(7,286)
Cash Balance Beginning of Year	<u>(6,597)</u>	<u>(6,597)</u>	<u>(6,597)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,286)</u>	<u>\$ (7,286)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (689)	
Net Change in Due from Grantor			<u>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-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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 8,000	\$ 2,881	\$ 273	\$ (2,608)
Total Revenues	<u>8,000</u>	<u>2,881</u>	<u>273</u>	<u>(2,608)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	6,645	2,135	200	1,935
Employee Benefits	<u>1,355</u>	<u>746</u>	<u>73</u>	<u>673</u>
Total Instruction	<u>8,000</u>	<u>2,881</u>	<u>273</u>	<u>2,608</u>
Total Expenditures	<u>8,000</u>	<u>2,881</u>	<u>273</u>	<u>2,608</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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 I RECOVERY ACT-24201  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 15,297	\$ 15,297	\$ 15,297	\$ 0
Total Revenues	<u>15,297</u>	<u>15,297</u>	<u>15,297</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	15,297	15,297	15,297	0
Cash Balance Beginning of Year	<u>(15,297)</u>	<u>(15,297)</u>	<u>(15,297)</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			\$ 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-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 19,052	\$ 37,456	\$ 18,656	\$ (18,800)
Total Revenues	<u>19,052</u>	<u>37,456</u>	<u>18,656</u>	<u>(18,800)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	3,500	10,775	3,311	7,464
Other Purchased Services	2,000	1,000	0	1,000
Supplies	11,552	21,882	15,345	6,537
Supply Assets	2,000	3,799	0	3,799
Total Instruction	<u>19,052</u>	<u>37,456</u>	<u>18,656</u>	<u>18,800</u>
Total Expenditures	<u>19,052</u>	<u>37,456</u>	<u>18,656</u>	<u>18,800</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-EDUCATION JOB FUND-25255  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 1,342	\$ 1,342	\$ 0
Total Revenues	<u>0</u>	<u>1,342</u>	<u>1,342</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Employee Benefits	0	1,342	1,342	0
Total Instruction	<u>0</u>	<u>1,342</u>	<u>1,342</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,342</u>	<u>1,342</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-MADDOX-26109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer Out	0	0	(6,576)	(6,576)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(6,576)</u>	<u>(6,576)</u>
Net Change in Cash Balance	0	0	(6,576)	(6,576)
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>\$ 0</u>	<u>\$ (6,576)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 0	
Net Change in Fund Balance			\$ 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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 584	\$ 430	\$ (154)
Total Revenues	<u>0</u>	<u>584</u>	<u>430</u>	<u>(154)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	584	584	0
Total Instruction	<u>0</u>	<u>584</u>	<u>584</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>584</u>	<u>584</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(154)	(154)
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>\$ (154)</u>	<u>\$ (154)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (154)	
Net Change in Due From Grantor			<u>154</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 1,773	\$ 0	\$ (1,773)
Total Revenues	<u>0</u>	<u>1,773</u>	<u>0</u>	<u>(1,773)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	1,773	433	1,340
Total Instruction	<u>0</u>	<u>1,773</u>	<u>433</u>	<u>1,340</u>
Total Expenditures	<u>0</u>	<u>1,773</u>	<u>433</u>	<u>1,340</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(433)	(433)
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>\$ (433)</u>	<u>\$ (433)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (433)	
Net Change in Due from Grantor			<u>433</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 1,390	\$ 0	\$ (1,390)
Total Revenues	<u>0</u>	<u>1,390</u>	<u>0</u>	<u>(1,390)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	443	0	0	0
Supply Assets	1,000	1,443	1,387	56
Total Instruction	<u>1,443</u>	<u>1,443</u>	<u>1,387</u>	<u>56</u>
Total Expenditures	<u>0</u>	<u>1,443</u>	<u>1,387</u>	<u>56</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(53)</u>	<u>(1,387)</u>	<u>(1,334)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer Out	0	0	(56)	(56)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(56)</u>	<u>(56)</u>
Net Change in Cash Balance	0	(53)	(1,443)	(1,390)
Cash Balance Beginning of Year	<u>1,443</u>	<u>1,443</u>	<u>1,443</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,443</u>	\$ <u>1,390</u>	\$ <u>0</u>	\$ <u>(1,390)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (1,443)	
Net Change in Fund Balance			\$ (1,443)	

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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	241	241	0
Total Instruction	<u>0</u>	<u>241</u>	<u>241</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>241</u>	<u>241</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(241)	(241)	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>0</u>	\$ <u>0</u>	\$ <u>0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(241)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(241)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 13,366	\$ 37,547	\$ 23,194	\$ (14,353)
Total Revenues	<u>13,366</u>	<u>37,547</u>	<u>23,194</u>	<u>(14,353)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	18,425	18,425	0
Employee Benefits	<u>0</u>	<u>5,756</u>	<u>4,769</u>	<u>987</u>
Total Instruction	<u>0</u>	<u>24,181</u>	<u>23,194</u>	<u>987</u>
Total Expenditures	<u>0</u>	<u>24,181</u>	<u>23,194</u>	<u>987</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,366</u>	<u>13,366</u>	<u>0</u>	<u>(13,366)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer Out	<u>0</u>	<u>0</u>	<u>13,366</u>	<u>13,366</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>13,366</u>	<u>13,366</u>
Net Change in Cash Balance	13,366	13,366	13,366	0
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>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 13,366	
Net Change in Due from Grantor			<u>(13,366)</u>	
Net Change in Fund Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 28,856	\$ 28,854	\$ (2)
Total Revenues	<u>0</u>	<u>28,856</u>	<u>28,854</u>	<u>(2)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	0	13,856	13,855	1
Employee Benefits	<u>0</u>	<u>2,058</u>	<u>2,057</u>	<u>1</u>
Total Support Services-Students	<u>0</u>	<u>15,914</u>	<u>15,912</u>	<u>2</u>
<b>Support Services-General Administration</b>				
Personnel Services	0	10,232	10,232	0
Employee Benefits	<u>0</u>	<u>2,710</u>	<u>2,710</u>	<u>0</u>
Total Support Services-General Administration	<u>0</u>	<u>12,942</u>	<u>12,942</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>28,856</u>	<u>28,854</u>	<u>2</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer Out	0	0	(89)	89
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(89)</u>	<u>89</u>
Net Change in Cash Balance	0	0	(89)	89
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>\$ 0</u>	<u>\$ 89</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (89)	
Net Change in Fund Balance			<u>\$ (89)</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, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 200	\$ 200	\$ 230	\$ 30
Total Revenues	<u>200</u>	<u>200</u>	<u>230</u>	<u>30</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Building Improvements	0	93,474	39,403	54,071
Supplies	102,480	4,726	855	3,871
Fixed Assets	<u>0</u>	<u>4,280</u>	<u>0</u>	<u>4,280</u>
Total-Capital Outlay	<u>102,480</u>	<u>102,480</u>	<u>40,258</u>	<u>62,222</u>
Total Expenditures	<u>102,480</u>	<u>102,480</u>	<u>40,258</u>	<u>62,222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(102,280)</u>	<u>(102,280)</u>	<u>(40,028)</u>	<u>(62,192)</u>
<b>Other Financing Sources (Uses)</b>				
Loss on Investments	<u>0</u>	<u>0</u>	<u>(243)</u>	<u>(243)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(243)</u>	<u>(243)</u>
Net Change in Cash Balance	(102,280)	(102,280)	(40,271)	(62,435)
Cash Balance Beginning of Year	<u>102,301</u>	<u>102,301</u>	<u>102,301</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ 62,030</u>	<u>\$ 62,009</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (40,271)	
Net Change in Investment Receivable			(19)	
Net Change in Fund Balance			<u>\$ (40,290)</u>	

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

STATE OF NEW MEXICO  
**TATUM MUNICIPAL SCHOOLS**  
DEBT SERVICE-DEFERRED LEAVE-42000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 100	\$ 100	\$ 108	\$ 8
Total Revenues	<u>100</u>	<u>100</u>	<u>108</u>	<u>8</u>
<b>Expenditures</b>				
Support Services-General Administration				
Employee Benefits	0	0	0	0
Total Support Services-General Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>100</u>	<u>100</u>	<u>108</u>	<u>8</u>
Other Financing Sources (Uses)				
Loss on Investments	0	0	(114)	(114)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(114)</u>	<u>(114)</u>
Net Change in Cash Balance	100	100	(6)	(106)
Cash Balance Beginning of Year	<u>48,248</u>	<u>48,248</u>	<u>48,248</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 48,348</u>	<u>\$ 48,348</u>	<u>\$ 48,242</u>	<u>\$ (106)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (6)	
Net Change in Investment Receivable			(9)	
Net Change in Fund Balance			<u>\$ (15)</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, 2012

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	Beginning Balance <u>06/30/11</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>06/30/12</u>
<b>ASSETS</b>				
Activity Trust Fund	\$ 68,850	\$ 106,266	\$ 103,982	\$ 71,134
<b>TOTAL Assets</b>	<u>\$ 68,850</u>	<u>\$ 106,266</u>	<u>\$ 103,982</u>	<u>\$ 71,134</u>
<b>LIABILITIES</b>				
Due to Student Groups	\$ 68,850	\$ 106,266	\$ 103,982	\$ 71,134
<b>TOTAL Liabilities</b>	<u>\$ 68,850</u>	<u>\$ 106,266</u>	<u>\$ 103,982</u>	<u>\$ 71,134</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, 2012

	Balance 06/30/11	Additions	Deductions	Balance 06/30/12
<b>ASSETS</b>				
After Prom Party	\$ 714	\$ 6,357	\$ 3,506	\$ 3,565
Battle of the Border	0	3,669	2,598	1,071
Booster Club	2,781	581	1,022	2,340
Boys Basketball	1,770	1,481	1,836	1,414
Building Trades	364	0	0	364
Computer Lab	2,189	14	182	2,021
Dallas Mercantile	2,500	0	0	2,500
District 8	2,935	6,083	3,910	5,107
Drama	1,829	1,268	2,605	492
Elementary Teachers	358	2,213	2,526	45
FFA	1,811	36,154	37,851	114
Field House	986	140	1,124	2
Home Economics	10	0	0	10
HS A/R	134	203	0	337
HS Vending	1,606	4,369	4,652	1,323
Interest	262	93	300	55
JH Cheerleaders	0	828	50	778
Library	3,207	76	2,252	1,031
Miscellaneous	76	2,809	0	2,885
NHS	5,099	3,074	3,005	5,168
SCAT	398	605	584	419
Student Council	1,779	1,088	2,137	730
Summer Recreation	1,253	2,578	2,466	1,365
Textbooks	1,474	268	0	1,742
Varsity Cheerleaders	0	3,689	3,689	0
Varsity Gym	0	455	455	0
Volleyball	2,190	3,107	2,207	3,090
WERC Scholarship	488	300	0	788
Yearbooks	11,108	4,570	4,792	10,886
Class of 2011	2,925	0	2,923	2
Class of 2012	5,004	1,223	4,557	1,670
Class of 2013	85	18,646	12,727	6,004
Class of 2014	95	100	0	195
Class of 2015	100	180	0	280
Class of 2016	20	30	0	50
Class of 2017	0	16	0	16
Investment	13,300	0	27	13,273
<b>Total Assets</b>	<b>\$ 68,850</b>	<b>\$ 106,266</b>	<b>\$ 103,982</b>	<b>\$ 71,134</b>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 68,850	\$ 106,266	\$ 103,982	\$ 71,134
<b>Total Liabilities</b>	<b>\$ 68,850</b>	<b>\$ 106,266</b>	<b>\$ 103,982</b>	<b>\$ 71,134</b>

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, 2012

		Beginning Cash Balance 6/30/11	Revenue	Expenditures	Transfers	Ending Cash Balance 6/30/12
Operational	11000	\$ 551,009	\$ 3,339,151	\$ 3,309,625	\$ 0	\$ 580,535
Teacherage	12000	7,750	7,500	1,169	0	14,081
Transportation	13000	1	210,063	209,667	0	397
Instructional Materials	14000	1	14,030	10,762	0	3,269
Food Services	21000	18,105	123,813	127,181	0	14,737
Athletics	22000	18,298	16,278	15,029	0	19,547
Federal Flowthrough	24000	(44,280)	142,305	160,688	0	(62,663)
Federal Direct	25000	0	19,999	19,999	0	0
Local Grants	26000	6,576	0	0	(6,576)	0
State Flowthrough	27000	(11,593)	52,478	54,694	13,222	(587)
Special Capital Outlay Local	31300	102,301	230	40,500	0	62,031
Senate Bill Nine	31700	194,023	276,298	301,777	0	168,544
Debt Service	41000	444,502	426,402	411,585	0	459,319
Deferred Leave	42000	48,247	108	114	0	48,241
Agency Funds		68,850	106,267	103,983	0	71,134
Total		\$ <u>1,403,790</u>	\$ <u>4,734,922</u>	\$ <u>4,766,773</u>	\$ <u>6,646</u>	\$ <u>1,378,585</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 of the general fund and major special revenue funds, the budgetary comparisons for the major capital project fund, major debt service fund and the combining individual funds and related budgetary comparison presented as supplemental information of the Tatum Municipal School District (District) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses that we consider to be significant deficiencies in internal control over financial reporting; 12-1 and 12-2. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses; 12-1 and 12-2.

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

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

 CPA PC

November 14, 2012

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

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<b>Prior Year Audit Findings</b>		<u>Status</u>
10-5	Cash Appropriations in Excess of Available Cash Balances	Resolved
11-1	Void Checks	Resolved

**Current Year Audit Findings**

**12-1 Payroll-Compliance and Internal Control-Significant Deficiency**

**Condition**

During our field work we noticed that the District is not in accurately calculating payroll. While sampling one pay period one employee was overpaid overtime by 15.72 hours which totaled an overpayment of \$363.00. If this happened every pay period the projected amount for the fiscal year would total \$8,712.07.

**Criteria**

New Mexico Overtime Pay Laws - 2012 FLSA Overtime Regulations requires overtime at one and a half of the wage rate per 40 hour work week.

**Cause**

The employee in question is an non-exempt salaried person. The employee is handwriting all time worked when covering other employees shifts. The overtime is being calculated on the employee's work paper that covers 15 days instead of actual overtime worked within a 40 hour work week.

**Effect**

Miscalculation of overtime causes the District to be at risk for additional pay and penalties.

**Recommendation**

Overtime should be calculated in accordance with state and federal laws.

**Response**

We have corrected the way we are calculating overtime.

**12-2 Expenditure Issues - Compliance and Internal Control-Significant Deficiency**

**Condition**

Of a sample size of 168 revealed the following:

- One had no Invoice for \$991.42.
- Six had no PO's with a total of \$6,137.39.
- Two were past due for a total of \$4,452.53.
- One PO was for less than the check in the amount of \$230.89.

**Criteria**

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

**Cause**

The staff are not following the procurement act. They are sending invoices to the central office expecting them to be paid without the purchase requisition or purchase order. Revised purchase orders should be issued when the amount of the purchase is greater than expected. Staff did not get the invoice to central office to complete the bill package before the bill was paid.

**Effect**

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

**Recommendation**

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



**Response**

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

**Financial Statement Preparation**

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

**Exit Conference**

An exit conference was held on November 14, 2012. Those present were Buddy Little-Superintendent, Brett Sterling-Board Vice-President, Christie Mullins-Payroll Clerk, Leslie Pearce-Business Manager and De'Aun Willoughby CPA.