

**STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
ANNUAL FINANCIAL REPORT
June 30, 2012**

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STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Official Roster
June 30, 2012

BOARD OF EDUCATION

<u>Name</u>	<u>Title</u>
Mr. John Johnson	President
Ms. Ann Fllsosa	Vice President
Ms. Cathy Vickers	Secretary
Mr. Louis Schwab	Member
Mr. John Ashbaugh	Member

SCHOOL OFFICIALS

Mr. Craig Cummins	Superintendent
Ms. Carmen Spann	Business Manager

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Truth or Consequences Municipal Schools
Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund and the major special revenue funds of Truth or Consequences Municipal Schools, (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project fund, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 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, the aggregate discretely presented component units, 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 project fund, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 07, 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.

The District has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 statement 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.

Harshwal & Company LLP

Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico

November 07, 2012

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Net Assets
 June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 5,997,592
Taxes Receivable	58,096
Due from Grantor	632,427
Interfund Balance	225,000
Inventory	<u>18,180</u>
Total Current Assets	<u>6,931,295</u>
Noncurrent Assets	
Land (non-depreciable)	209,360
Capital Assets (depreciable)	41,738,595
Less: Accumulated Depreciation	<u>(13,671,948)</u>
Total Noncurrent Assets	<u>28,276,007</u>
Total Assets	<u>35,207,302</u>
LIABILITIES	
Current Liabilities	
Cash Deficit	496,945
Accounts Payable	46,830
Accrued Interest	49,026
Current Amount Due for Bonds	720,000
Deferred Revenue	<u>177,907</u>
Total Current Liabilities	<u>1,490,708</u>
Noncurrent Liabilities	
Compensated Absences	188,738
Bonds and Notes, Net	<u>4,650,000</u>
Total Noncurrent Liabilities	<u>4,838,738</u>
Total Liabilities	<u>6,329,446</u>
NET ASSETS	
Invested in Capital Assets, net of related debt	28,276,007
Restricted for:	
Capital Projects	959,618
Debt Services	2,333,276
Unrestricted	<u>(2,691,045)</u>
Total Net Assets	<u>\$ 28,877,856</u>

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

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in net Assets Primary Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 7,679,835	\$ 38,403	\$ 2,376,312	\$	\$ (5,265,120)
Support Services-Students	1,366,220				(1,366,220)
Support Services-Instruction	140,990		20,981		(120,009)
General Administration	485,531				(485,531)
School Administration	756,158				(756,158)
Central Services	278,298				(278,298)
Operation & Maintenance of Plant	1,430,547				(1,430,547)
Student Transportation	759,069		727,784		(31,285)
Other	28,727				(28,727)
Food Services Operations	650,183	53,999	625,802		29,618
Interest on Long-Term Obligations	50,026				(50,026)
Depreciation Unallocated	<u>1,335,455</u>				<u>(1,335,455)</u>
Total Governmental Activities	<u>\$ 14,961,039</u>	<u>\$ 92,402</u>	<u>\$ 3,750,879</u>	<u>\$ 0</u>	<u>(11,117,758)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					206,984
Property Taxes, Levied for Capital Projects					571,381
Property Taxes, Levied for Debt Service					1,664,810
Federal and State aid not restricted to specific purpose					
General					9,628,335
Forest Reserve					230,789
Interest and investment earnings					6,249
Miscellaneous					<u>22,094</u>
Subtotal, General Revenues					<u>12,330,642</u>
Change in Net Assets					1,212,884
Net Assets - beginning					<u>27,664,972</u>
Net Assets - ending					<u>\$ 28,877,856</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Governmental Funds
 Balance Sheet
 June 30, 2012

	General Fund		
	11000 - OPERATIONAL	13000 - PUPIL TRANSPORTATION	14000 - TOTAL INSTRUCTIONAL MATERIALS SUBFUND
ASSETS			
Cash and Cash Equivalents	\$ 1,666,557	\$ 30	\$ 12,216
Receivables			
Property Taxes	3,435		
Due from Grantor			
Interfund Balance	428,004		
Inventory			
Total Assets	\$ 2,097,996	\$ 30	\$ 12,216
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash Deficit	\$ 34,592	\$	\$ 5,994
Accounts Payable			
Deferred Revenue			
Interfund Payable			
Total Liabilities	34,592	0	5,994
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Capital Improvements			
Debt Service			
Assigned-Capital Improvements			
Unassigned -General Fund	2,063,404	30	6,222
Total Fund Balance	2,063,404	30	6,222
Total Liabilities and Fund Balance	\$ 2,097,996	\$ 30	\$ 12,216

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Governmental Funds
 Balance Sheet
 June 30, 2012

	Special Revenue		
	24101 - TITLE I - IASA	24106 - ENTITLEMENT IDEA-B	26199 - SPACEPORT GRT GRANT - SIERRA COUNTY
ASSETS			
Cash and Cash Equivalents	\$	\$	\$ 215,254
Receivables			
Property Taxes			
Due from Grantor	356,406	153,495	
Interfund Balance			
Inventory			
Total Assets	\$ 356,406	\$ 153,495	\$ 215,254
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash Deficit	\$ 181,406	\$ 153,495	\$
Accounts Payable			
Deferred Revenue			
Interfund Payable	175,000		215,254
Total Liabilities	356,406	153,495	215,254
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Capital Improvements			
Debt Service			
Assigned-Capital Improvements			
Unassigned -General Fund			
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 356,406	\$ 153,495	\$ 215,254

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Governmental Funds
 Balance Sheet
 June 30, 2012

	Capital Projects	Debt Service
	31100 - BOND BUILDING	41000 - DEBT SERVICES
ASSETS		
Cash and Cash Equivalents	\$ 959,618	\$ 2,292,481
Receivables		
Property Taxes		40,795
Due from Grantor		
Interfund Balance		
Inventory		
Total Assets	\$ 959,618	\$ 2,333,276
LIABILITIES AND FUND BALANCE		
Liabilities		
Cash Deficit	\$	\$
Accounts Payable		
Deferred Revenue		
Interfund Payable		
Total Liabilities	0	0
Fund Balances		
Nonspendable-Inventory		
Restricted-Reported In		
Special Revenue Funds		
Capital Improvements	959,618	
Debt Service		2,333,276
Assigned-Capital Improvements		
Unassigned -General Fund		
Total Fund Balance	959,618	2,333,276
Total Liabilities and Fund Balance	\$ 959,618	\$ 2,333,276

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Governmental Funds
 Balance Sheet
 June 30, 2012

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
ASSETS			
Cash and Cash Equivalents	\$ 851,436	\$ 5,997,592	
Receivables			
Property Taxes	13,866	58,096	
Due from Grantor	122,526	632,427	
Interfund Balance	211,527	639,531	
Inventory	<u>18,180</u>	<u>18,180</u>	
Total Assets	<u>\$ 1,217,535</u>	<u>\$ 7,345,826</u>	
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash Deficit	\$ 162,044	\$ 496,945	
Accounts Payable	6,244	46,830	
Deferred Revenue	177,907	177,907	
Interfund Payable	<u>24,277</u>	<u>414,531</u>	
Total Liabilities	<u>370,472</u>	<u>1,136,213</u>	
Fund Balances			
Nonspendable-Inventory	18,180	18,180	
Restricted-Reported In			
Special Revenue Funds	141,056	141,056	
Capital Improvements		959,618	
Debt Service		2,333,276	
Assigned-Capital Improvements	687,827	687,827	
Unassigned -General Fund	<u> </u>	<u>2,069,656</u>	
Total Fund Balance	<u>847,063</u>	<u>6,209,613</u>	
Total Liabilities and Fund Balance	<u>\$ 1,217,535</u>	<u>\$ 7,345,826</u>	

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

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

Total Fund Balance - Governmental Funds \$ 6,209,613

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	\$ 41,947,955	
Accumulated depreciation	<u>(13,671,948)</u>	
Net capital assets		28,276,007

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	(5,370,000)	
Accrued interest on bonds	(49,026)	
Compensated Absences	<u>(188,738)</u>	
		<u>(5,607,764)</u>
Total net assets - governmental activities		<u>\$28,877,856</u>

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2012

	General Fund		
	11000 - OPERATIONAL	13000 - PUPIL TRANSPORTATION	14000 - TOTAL INSTRUCTIONAL MATERIALS SUBFUND
Revenues			
Property Taxes	\$ 206,983	\$	\$
State & Local Grants	9,630,419		
Federal Grants	22,094		
Capital Grants		723,291	
Fines and Fees	890		
Interest	3,548		
Miscellaneous	<u>276,873</u>	<u>25,474</u>	<u>58,638</u>
Total Revenues	<u>10,140,807</u>	<u>748,765</u>	<u>58,638</u>
Expenditures			
Current			
Instruction	6,254,595		55,008
Support Services-Students	1,142,702		
Support Services-Instruction	135,991		
Support Services-General Administration	439,424		
Support Services-School Administration	575,095		
Central Services	278,298		
Operation & Maintenance of Plant	1,430,547		
Student Transportation		748,765	
Other Support Services	28,727		
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
Total Expenditures	<u>10,285,379</u>	<u>748,765</u>	<u>55,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(144,572)</u>	<u>0</u>	<u>3,630</u>
Other Financing Sources (Uses) Bond Proceeds			
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(144,572)	0	3,630
Fund Balances at Beginning of Year	<u>2,207,976</u>	<u>30</u>	<u>2,592</u>
Fund Balances End of Year	<u>\$ 2,063,404</u>	<u>\$ 30</u>	<u>\$ 6,222</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2012

	Special Revenue		
	24101 - TITLE I - IASA	24106 - ENTITLEMENT IDEA-B	26199 - SPACEPORT GRT GRANT - SIERRA COUNTY
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants	824,421	376,075	105,590
Capital Grants			
Fines and Fees			
Interest			
Miscellaneous			
Total Revenues	<u>824,421</u>	<u>376,075</u>	<u>105,590</u>
Expenditures			
Current			
Instruction	635,390	220,775	105,590
Support Services-Students	62,753	75,325	
Support Services-Instruction			
Support Services-General Administration	17,058	2,110	
Support Services-School Administration	103,198	77,865	
Central Services			
Operation & Maintenance of Plant			
Student Transportation	6,022		
Other Support Services			
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
Total Expenditures	<u>824,421</u>	<u>376,075</u>	<u>105,590</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses) Bond Proceeds			
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2012

	Capital Projects	Debt Service
	31100 - BOND BUILDING	41000 - DEBT SERVICES
Revenues		
Property Taxes	\$	\$ 1,664,810
State & Local Grants		
Federal Grants		
Capital Grants		
Fines and Fees		
Interest	58,097	402,110
Miscellaneous		
Total Revenues	58,097	2,066,920
Expenditures		
Current		
Instruction		
Support Services-Students		
Support Services-Instruction		
Support Services-General Administration		16,240
Support Services-School Administration		
Central Services		
Operation & Maintenance of Plant		
Student Transportation		
Other Support Services		
Food Services Operations		
Capital Outlay	85,867	
Debt Service		
Principal		1,325,000
Interest		223,953
Total Expenditures	85,867	1,565,193
Excess (Deficiency) of Revenues Over Expenditures	(27,770)	501,727
Other Financing Sources (Uses) Bond Proceeds		140,000
Total Other Financing Sources (Uses)	0	140,000
Net Changes in Fund Balance	(27,770)	641,727
Fund Balances at Beginning of Year	987,388	1,691,549
Fund Balances End of Year	\$ 959,618	\$ 2,333,276

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2012

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
Revenues			
Property Taxes	\$ 571,380	\$ 2,443,173	
State & Local Grants	114,514	9,744,933	
Federal Grants	1,014,518	2,342,698	
Capital Grants		723,291	
Fines and Fees	91,512	92,402	
Interest		463,755	
Miscellaneous	<u>2,687</u>	<u>363,672</u>	
Total Revenues	<u>1,794,611</u>	<u>16,173,924</u>	
Expenditures			
Current			
Instruction	393,172	7,664,530	
Support Services-Students	85,441	1,366,221	
Support Services-Instruction	4,999	140,990	
Support Services-General Administration	10,699	485,531	
Support Services-School Administration		756,158	
Central Services		278,298	
Operation & Maintenance of Plant		1,430,547	
Student Transportation	4,282	759,069	
Other Support Services		28,727	
Food Services Operations	650,183	650,183	
Capital Outlay	456,021	541,888	
Debt Service			
Principal		1,325,000	
Interest		<u>223,953</u>	
Total Expenditures	<u>1,604,797</u>	<u>15,651,095</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>189,814</u>	<u>522,829</u>	
Other Financing Sources (Uses) Bond Proceeds		<u>140,000</u>	
Total Other Financing Sources (Uses)	<u>0</u>	<u>140,000</u>	
Net Changes in Fund Balance	189,814	662,829	
Fund Balances at Beginning of Year	<u>657,249</u>	<u>5,546,784</u>	
Fund Balances End of Year	<u>\$ 847,063</u>	<u>\$ 6,209,613</u>	

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 For the Year Ended June 30, 2012

Excess (Deficiency) of Revenues Over Expenditures	\$	662,829
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	\$ 1,335,455	
Capital Outlays	<u>541,888</u>	(793,567)
Repayment of bond principal is expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		
		1,325,000
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	222,953	
Accrued Interest, June 30, 2012	<u>49,026</u>	173,927
Proceeds from debts		(140,000)
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	173,433	
Compensated Absences June 30, 2012	<u>188,738</u>	<u>(15,305)</u>
Changes in Net Assets of Governmental Activities		\$ <u><u>1,212,884</u></u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES 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

	<u>Budgeted Amounts</u>		Actual	Variances
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Positive (Negative) Final to Actual
REVENUES:				
Property taxes	\$ 134,348	\$ 134,348	\$ 138,486	\$ 4,138
State & Local Grants	9,588,127	9,623,631	9,630,419	6,788
Federal Grants	20,773	20,773	22,094	1,321
Charges for services	284	284	890	606
Interest Income	3,453	3,453	3,548	95
Miscellaneous	<u>300,806</u>	<u>300,806</u>	<u>276,873</u>	<u>(23,933)</u>
Total Revenues	<u>10,047,791</u>	<u>10,083,295</u>	<u>10,072,310</u>	<u>(10,985)</u>
EXPENDITURES:				
Instruction	6,576,126	6,490,129	6,239,758	250,371
Support Services-Students	1,149,632	1,170,700	1,142,702	27,998
Support Services-Instruction	146,946	138,062	135,991	2,071
Support Services-General Administration	435,065	440,240	439,424	816
Support Services-School Administration	485,999	575,322	575,095	227
Central Services	298,438	278,367	278,298	69
Operation & Maintenance of Plant	1,390,554	1,415,444	1,411,075	4,369
Student Transportation	10,000	10,000		10,000
Other Support Services	45,390	45,390	28,727	16,663
Capital Outlay	<u>1,442,152</u>	<u>1,442,152</u>	<u> </u>	<u>1,442,152</u>
Total Expenditures	<u>11,980,302</u>	<u>12,005,806</u>	<u>10,251,070</u>	<u>1,754,736</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,932,511)	(1,922,511)	(178,760)	(1,743,751)
Cash Balance Beginning of Year	<u>1,287,468</u>	<u>1,287,468</u>	<u> 0</u>	<u> 0</u>
Cash Balance End of Year	<u><u>\$ (645,043)</u></u>	<u><u>\$ (635,043)</u></u>	<u><u>(178,760)</u></u>	<u><u>\$ (1,743,751)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(178,760)	
Net change in Taxes Receivable			68,497	
Net change in Accounts Payable			<u>(34,309)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (144,572)</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES 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

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Capital Grants	\$ 702,632	\$ 748,765	\$ 723,291	\$ (25,474)
Miscellaneous			<u>25,474</u>	<u>25,474</u>
Total Revenues	<u>702,632</u>	<u>748,765</u>	<u>748,765</u>	<u>0</u>
EXPENDITURES:				
Student Transportation	<u>702,632</u>	<u>748,765</u>	<u>748,765</u>	
Total Expenditures	<u>702,632</u>	<u>748,765</u>	<u>748,765</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 General Fund - Instructional Materials-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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Miscellaneous	\$ <u>48,938</u>	\$ <u>57,349</u>	\$ <u>58,638</u>	\$ <u>1,289</u>
Total Revenues	<u>48,938</u>	<u>57,349</u>	<u>58,638</u>	<u>1,289</u>
EXPENDITURES:				
Instruction	<u>49,014</u>	<u>57,349</u>	<u>49,014</u>	<u>8,335</u>
Total Expenditures	<u>49,014</u>	<u>57,349</u>	<u>49,014</u>	<u>8,335</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(76)</u>	<u>0</u>	<u>9,624</u>	<u>(9,624)</u>
Cash Balance Beginning of Year	<u>33,637</u>	<u>33,637</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 33,561</u>	<u>\$ 33,637</u>	<u>9,624</u>	<u>\$ (9,624)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			9,624	
Net change in Accounts Payable			<u>(5,994)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,630</u>	

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

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES 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

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
REVENUES:				
Federal Grants	\$ <u>797,798</u>	\$ <u>878,395</u>	\$ <u>507,304</u>	\$ <u>(371,091)</u>
Total Revenues	<u>797,798</u>	<u>878,395</u>	<u>507,304</u>	<u>(371,091)</u>
EXPENDITURES:				
Instruction	603,922	684,519	635,390	49,129
Support Services-Students	61,937	62,884	62,753	131
Support Services-General Administration	17,058	17,058	17,058	
Support Services-School Administration	105,381	104,434	103,198	1,236
Student Transportation	<u>9,500</u>	<u>9,500</u>	<u>6,022</u>	<u>3,478</u>
Total Expenditures	<u>797,798</u>	<u>878,395</u>	<u>824,421</u>	<u>53,974</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(317,117)</u>	<u>317,117</u>
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>(317,117)</u>	<u>\$ 317,117</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(317,117)	
Net change in Accounts Receivable			<u>317,117</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Idea Part B, Entitlement-24106
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
REVENUES:				
Federal Grants	\$ 388,237	\$ 471,101	\$ 277,244	\$ (193,857)
Total Revenues	<u>388,237</u>	<u>471,101</u>	<u>277,244</u>	<u>(193,857)</u>
EXPENDITURES:				
Instruction	224,995	305,749	220,775	84,974
Support Services-Students	84,929	84,787	75,325	9,462
Support Services-General Administration	446	2,556	2,110	446
Support Services-School Administration	<u>77,867</u>	<u>78,009</u>	<u>77,865</u>	<u>144</u>
Total Expenditures	<u>388,237</u>	<u>471,101</u>	<u>376,075</u>	<u>95,026</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(98,831)	98,831
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>(98,831)</u>	<u>\$ 98,831</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(98,831)	
Net change in Taxes Receivable			<u>98,831</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Spaceport Grt Grant - Sierra Country 26199
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
REVENUES:				
Federal Grants	\$ <u>140,557</u>	\$ <u>140,557</u>	\$ <u>110,088</u>	\$ <u>(30,469)</u>
Total Revenues	<u>140,557</u>	<u>140,557</u>	<u>110,088</u>	<u>(30,469)</u>
EXPENDITURES:				
Instruction	<u>351,217</u>	<u>354,217</u>	<u>105,590</u>	<u>248,627</u>
Total Expenditures	<u>351,217</u>	<u>354,217</u>	<u>105,590</u>	<u>248,627</u>
Excess (Deficiency) of Revenues Over Expenditures	(210,660)	(213,660)	4,498	(218,158)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (210,660)</u></u>	<u><u>\$ (213,660)</u></u>	<u>4,498</u>	<u><u>\$ (218,158)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			4,498	
Net change in Accounts Receivable			<u>(4,498)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Fiduciary Net Assets
 Agency Funds
 For the Year Ended June 30, 2012

	Private Purpose Trust Funds	Agency Funds	Total
ASSETS			
Cash on deposit	\$ 49,510	\$ 163,783	\$ 213,293
Total assets	<u>\$ 49,510</u>	<u>\$ 163,783</u>	<u>\$ 213,293</u>
LIABILITIES			
Deposits held for others	\$ _____	\$ 163,783	\$ 163,783
Total Liabilities	<u>0</u>	<u>163,783</u>	<u>163,783</u>
NET ASSETS			
Reserved for scholarship	9,952		9,952
Reserved for endowment	<u>39,558</u>	_____	<u>39,558</u>
Total net assets	<u>49,510</u>	<u>0</u>	<u>49,510</u>
Total Liabilities and net assets	<u>\$ 49,510</u>	<u>\$ 163,783</u>	<u>\$ 213,293</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Statement of Changes in Fiduciary Net Assets
 Agency Funds
 For the Year Ended June 30, 2012

	Private Purpose Trust Funds
Gifts and contributions	\$ 8,331
Interest earned	<u>62</u>
Total receipts	<u>8,393</u>
Scholarships awarded	<u>6,500</u>
Total disbursements	<u>6,500</u>
Change in net assets	1,893
Net assets, beginning of year	<u>47,617</u>
Net assets, end of year	<u><u>\$ 49,510</u></u>

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

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of Truth or Consequences Municipal Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement #34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. In June 2001, the GASB approved Statement No. 37, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB #'s 34, 37 and 38 effective July 01, 2002. As part of Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

The District provides kindergarten, elementary, middle and secondary educational services to school age residents of the District. The District operates under the direction of a local school board, under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978.

A. Financial Reporting Entity

The Truth or Consequences Municipal Schools School Board was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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. This District also has no other legally separate organizations for which the elected School Board 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 District has no component units, as defined by GASB Statement No. 14.

The accounting policies of the School District as reflected in the accompanying financial statements, conform to generally accepted accounting principles for local governmental units.

The following is a summary of the more significant policies:

B. Basis of Presentation

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.

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 general fixed assets, and the servicing of general long-term debt.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Under the requirements of GASB 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

General Fund - The primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Fund - PL 94-142 - Entitlement - Stimulus - To account for resources received for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority for this program are the American Recovery and Reinvestment Act.

Special Revenue Fund - Education Jobs Fund - To account for resources received to assist local education agencies in saving or creating education jobs during the 2011-2012 school year. Financing and authority for this program are the American Recovery and Reinvestment Act of 2009, Public Law 111-5 and 111-226.

Special Revenue Fund - Spaceport - To account for resources received for the Schools participation in the Student Launch Program.

Capital Projects Fund - Bond Building - To account for the resources received from the sale of general obligation bonds for the purpose of constructing and renovating school buildings and the purchase of equipment and furnishings.

Capital Projects Fund - Capital Improvements SB-9 - To account for the resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also, for resources received from State of New Mexico Severance Tax Bonds.

Debt Service Fund - General Obligation Bonds - To account for resources received for the purpose of paying general obligation bonds and interest coupons. Funds are received from property taxes levied against property located within the school District and levied specifically for this purpose.

Fiduciary Funds

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 District also reports additional Government funds as non-major. They include:

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

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display 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-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

All governmental activities of the District follow FASB Statements and Interpretations issued on or before November 30, 1989 Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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 60 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 inter fund activity has been eliminated from the District-wide financial statements.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes (property 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. Total delinquent property taxes were not available from the County Treasurers for the current year.

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

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 not accrued.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

Fiduciary Funds

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

D. Budgets and Budgetary Accounting

All budgets, and any amendments or revision thereof, are approved by the State of New Mexico, Department of Finance and Administration, Department of Education. Budgets for the General, Special Revenue, Debt Service and Capital Projects Fund are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). Encumbrance accounting is not used by the School District.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debts Service Fund and Capital Projects Fund.

Appropriations do not lapse at the end of the fiscal year and unexpended fund balances are budgeted in the succeeding fiscal year. The Board of Education is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the State of New Mexico, Department of Finance and Administration, Department of Education. Budgeted amounts in the accompanying financial statements include transfers and revisions to the original appropriations.

Expenditures of the School District may not legally exceed appropriations at the function level at which the budget is adopted.

E. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end and are therefore not included as a reservation of fund balance. Authorization for the eventual expenditure will be included in the following years budget appropriations.

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities and Fund Equity

1. Cash & 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.

2. Accounts Receivable

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report property taxes at full accrual was not available during the year.

Accounts receivable consist of the following:

	General	Other Major	Other governmental	Total
Property Taxes	\$ 3,435	\$ 40,795	\$ 13,866	\$ 58,096

3. Inventories

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spend able resources" even though they are a component of net current assets.

4. Capital Assets

Capital assets are recorded at historical cost 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. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated capital assets are recorded at their estimated fair value at the date of donation. 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. The District does not capitalize interest in regards to its capital assets.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities and Fund Equity (continued)

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:

Land improvements	10-25 years
Buildings & building improvements	30-50 years
Furniture & equipment	5-25 years
Vehicles	8-10 years

GASB Statement No.34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30, 2012.

The District does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the District does not capitalize library books unless they exceed the \$5,000 threshold.

5. Deferred Revenues

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 balance sheet and the revenue is recognized.

6. Compensated Absences

Qualified employees are entitled to accumulate annual leave of 12 days per fiscal year. Upon termination, employees will be paid for up to 15 days of accrued annual leave. In addition, terminating employees will be paid one day of sick leave for each year of service in excess of three years.

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the district- wide statement of net assets.

7. Long-Term Liabilities

For government-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.

For fund financial reporting issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities and Fund Equity (continued)

8. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The non spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter fund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (School District ordinances).

Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purpose specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the School District Board. Those committed amounts cannot be used for any other purpose unless the School District's Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District's Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board or a School District official delegated that authority by the School District Board or ordinance.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities and Fund Equity (continued)

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9. Restricted Net Assets

The governmental activities financial statements utilize a net assets presentation. Net assets are categorized as follows:

Investment in capital assets, net of related debt - This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets - This category reflects the portion of net assets that have third party limitations on their use.

Unrestricted net assets - This category reflects net assets of the District not restricted for any project or other purposes.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

G. REVENUES

1. Property Tax Levies

Truth or Consequences Municipal Schools receives property taxes from the Sierra County Treasurer for operational, public school capital improvements and debt service purposes. Property taxes are assessed on January 1st of each year, except on livestock, and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year. Property taxes are collected by the County Treasurer and remitted to the School District in the month following collection. Although there are no restrictions placed on property taxes collected for operation purposes, restrictions do exist on the amounts collected under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) and the amounts collected as a result of issuing general obligation bonds.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

G. REVENUES (continued)

Under the provisions of the Public School Capital Improvements Act, any local school board may adopt a resolution to submit to the qualified electors of the School District the question of whether or not a property tax should be imposed on the net taxable value of property allocated to the School District for the purpose of capital improvements. The resolution shall:

1. Identify the capital improvements;
2. Specify the rate of the proposed tax, which shall not exceed two dollars (\$2.00) on each \$1,000 of net taxable value of property;
3. Specify the date an election will be held;
4. Limit the imposition of the tax to no more than three property tax years.

If approved, any revenues produced by the tax and any state distribution resulting to the District under the Act shall be expended only for the capital improvements specified in the authorized resolution.

General obligation bonds may be issued for the purpose of erecting, remodeling, making additions to and the furnishing of school buildings, or purchasing or improving school grounds or any combination of these purposes. Such bonds shall be fully negotiable and constitute negotiable instruments.

The school board shall establish adequate budgetary provisions, approved by the School Management Division, to promptly pay, as it becomes due, all principal and interest on general obligation bonds issued by the School District.

The full faith and credit of a School District shall be pledged to the payment of the principal and interest on general obligation bonds issued by the School District.

The board of county commissioners shall levy and collect upon all taxable property within a School District in the county such tax as is necessary to pay the interest and principal on general obligation bonds issued by the school district as the interest and principal become due, without limitation as to rate or amount.

2. State Equalization Guarantee

Each School District in the State of New Mexico receives a "state equalization guarantee distribution" which is defined as "that amount of money distributed to each School District to insure that the School District's operating revenue, including its local and federal revenues as defined" (in Chapter 22, Section 8-25, NMSA 1978) "is at least equal to the School District's program cost."

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

G. REVENUES (continued)

A School District's program costs are determined through the use of various formulas using "program units" which take into consideration (1) early childhood education; (2) basic education; (3) special education; (4) bilingual-multicultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$9,628,334 in state equalization guarantee distributions during the year.

3. Transportation Distribution

Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each School District for the to-and-from school transportation costs of students in the grades K through twelve attending public school within the School District. Except in unusual circumstances as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for funding in excess of twenty miles one way.

Money in the vocational education transportation distribution of the public school fund is used for the purpose of making payments to school districts for transportation of students to and from their regular attendance centers and the place where vocation education programs are being offered, pursuant to Section 22-16-4.1 (NMSA 1978) of the Act. The transportation distribution is allocated to each School District according to an objective formula developed by the state transportation director and the director of public school finance.

In the event the sum of the proposed transportation allocations to each School District exceeds the amounts in the transportation distribution, each school district to receive an allocation shares in a reduction in the proportion that each School District's forty-day average daily membership bears to the forty-day average daily membership of all school districts to receive allocations.

Local school boards shall negotiate school bus contracts in accordance with regulations promulgated by the state transportation director with the approval of the State Board of Education.

Local school boards, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-2 NMSA 1978 to meet established program needs.

The District received \$723,291 in transportation distribution during the year.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

G. REVENUES (continued)

4. SB-9 State Match

The Director shall distribute to any School District that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

5. Critical Capital Outlay

Under the provisions of Chapter 22, Article 24, a critical capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the School District have provided all available resources to the District to meet its capital outlay requirements;
3. The School District has used its resources in a prudent manner.
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised value are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The School District has provided insurance for buildings of the School District in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a District has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

G. REVENUES (continued)

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2012, the District received \$0 in critical capital outlay funds and \$0 in special capital outlay funds.

6. Instructional Materials

The New Mexico State Department of Education (Department) received federal mineral leasing funds from which it makes annual allocations to the various school District for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Beginning with the fiscal year ended June 30, 2002, Districts received their total allocation at the beginning of the fiscal year, instead of being reimbursed for purchases as was done in prior years. During the year ended June 30, 2012 the District received \$58,638 in instructional materials allocation.

7. Federal Grants

The District receives revenues from various Federal departments (both direct and indirect) which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Department of Education.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food service operations, and distributions of commodities through the New Mexico Human Services Department.

H. Inter fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other inter fund transfers are reported as operating transfers.

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (continued)

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITORY COLLATERAL

The following is the Cash on Deposit at each financial institution:

Bank of the Southwest	Checking	Debt Service	\$ 2,019,803
Bank of the Southwest	Checking	Critical Capital outlay	754,717
Bank of the Southwest	Savings	Investment	1,383
Bank of the Southwest	Checking	Operational	1,135,094
Bank of the Southwest	Checking	Federal	9,169
Bank of the Southwest	Saving	Howe Trust	
Bank of the Southwest	Saving	Lang Trust	1,070
Bank of the Southwest	Checking	Payroll Clearing	<u>843,790</u>
			<u>4,765,026</u>
First Saving Bank	Checking	Cafeteria	113,767
Compass Bank	Checking	Activity	168,885
New Mexico State Treasurer	Investment Pool		<u>1,764,085</u>
Total amount on deposit			<u>6,811,763</u>
Outstanding checks			(1,103,499)
Deposit in transit			
Other Adjustments			5,596
Petty Cash			<u>80</u>
Total per financial statements			<u>\$ 5,713,940</u>

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, \$3,660,684 of the District's bank balance of \$5,047,678 was exposed to custodial credit risk as follows:

A	Uninsured and uncollateralized	\$ 1,250,153
B	Uninsured and collateralized with securities held by the pledging banks trust department, not in the Schools name	<u>2,410,531</u>
	Total	<u>\$ 3,660,684</u>

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 2 - DEPOSITORY COLLATERAL (continued)

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the cooperative for at least one half of the amount on deposit with the institution. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, District or political subdivision of the State of New Mexico. The following schedule details the public money held by financial institutions and pledged collateral held by the District as follows:

	<u>Bank of the Southwest</u>	<u>First Saving Bank</u>	<u>Compass Bank</u>
Cash on deposit at June 30	\$ 4,765,026	\$ 113,767	\$ 168,885
Less F.D.I.C.	<u>(1,104,342)</u>	<u>(113,767)</u>	<u>(168,885)</u>
Uninsured funds	3,660,684		
50% Collateral requirement (as per section 6-10-17, NMSA, 1978)	1,830,342		
Pledged collateral by pledging banks trust department or agent but not in the Schools name	<u>2,410,531</u>		
Excess of pledged collateral	<u>\$ (580,189)</u>	<u>\$ 0</u>	<u>\$ 0</u>
		Fair Market Value	
<u>Wells Fargo Bank in Dallas, TX</u>	<u>Maturity Date</u>		
GNMA II Pool CUSIP #80119	10/20/27	\$ 10,531	
Letter of Credit	01/07/2013	1,425,000	
Letter of Credit	12/31/2012	600,000	
Letter of Credit	04/01/2013	100,000	
Letter of Credit	09/19/2012	<u>275,000</u>	
		<u>\$ 2,410,531</u>	

The accounts of the State Treasurers Investment Pool are monitored by the State Treasurers Office and the State Treasurer issues separate financial statements which disclose the collateral pledged to secure these deposits.

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government is not considered to have credit risk.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 2 - DEPOSITORY COLLATERAL (continued)

The Local Government Investment Pool does not have unit shares. Per Section 6-10-10, IF, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts in the fund were invested. Participation in the local government investment pool is voluntary.

The credit rating of the investment pool at the New Mexico State Treasurer is as follows:

New MexiGrow LGIP AAAM rated \$1,764,085 60-day WAM

NOTE 3 - DUE FROM GRANTOR

The amount shown as due from grantor represents federal, state and local expenditures in excess of revenues. Most federal, state or local projects earn revenue as expenditures are incurred and are subsequently reimbursed by the grantor.

NOTE 4 - CASH OVERDRAFTS

The cash overdrafts shown in some federal, state and local projects in the special revenue fund represent expenditures made by the District which will be reimbursed by the grantor. Receivables from grantor are presented to off-set these overdrafts.

NOTE 5 - DEFERRED REVENUE

Deferred revenue represents advances on cost-reimbursement type grants which have not yet been earned.

NOTE 6 - LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

During the year ended June 30, the following changes occurred in the liabilities reported in the District Wide Statement of Net Assets:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Due Within</u> <u>One Year</u>
General Bonds Obligation	\$ 6,555,000	\$ 140,000	\$ 1,325,000	\$ 5,370,000	\$ 720,000
Compensated Absences	173,433	46,733	31,428	188,738	
Total	<u>\$ 6,728,433</u>	<u>\$ 186,733</u>	<u>\$ 1,356,428</u>	<u>\$ 5,558,738</u>	<u>\$ 720,000</u>

Payments on the general obligation bonds are made by the debt service funds. The compensated absences liability will ultimately be liquidated by several of the District governmental funds, with most being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2012

NOTE 6 - LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds

The general obligation bonds will be paid from taxes levied against property owners living within the School District boundaries. The annual requirements to retire general obligation bonds as of June 30, are as follows:

Date of issue - September 21, 2005
 Original amount - \$1,750,000
 Interest rate - 2.376% to 3.290%

Due in Year Ending	Principal	Interest	Total
2013	100,000	15,785	115,785
2014	100,000	12,766	112,766
2015	100,000	9,672	109,672
2016	100,000	6,507	106,507
2017	100,000	3,276	103,276
2018	50,000	822	50,822
Total	<u>\$ 550,000</u>	<u>\$ 48,828</u>	<u>\$ 598,828</u>

Date of issue - March 28, 2008
 Original amount - \$1,750,000
 Interest rate - 2.82% to 3.88%

Due in Year Ending	Principal	Interest	Total
2013	25,000	50,563	75,563
2014	25,000	49,789	74,789
2015	25,000	48,992	73,992
2016	50,000	47,752	97,752
2017	50,000	46,061	96,061
2018-2021	1,185,000	121,885	1,306,885
Total	<u>\$ 1,360,000</u>	<u>\$ 365,042</u>	<u>\$ 1,725,042</u>

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 6 - LONG-TERM LIABILITIES (continued)

Date of issue - October 23, 2009
Original amount - \$1,500,000
Interest rate - .650% to 4.060%

Due in Year Ending	Principal	Interest	Total
2013	25,000	16,994	41,994
2014	25,000	16,614	41,614
2015	25,000	16,156	41,156
2016	25,000	15,624	40,624
2017		15,342	15,342
2018-2022	275,000	59,842	334,842
2023-2024	200,000	6,989	206,989
Total	<u>\$ 575,000</u>	<u>\$ 147,561</u>	<u>\$ 722,561</u>

Date of issue - October 21, 2011
Original amount - \$3,410,000
Interest rate - 1.218%

2011 General Obligation Refunding Bonds

On October 21, 2011, the School District approved a resolution authorizing the issuance of the Series 2011 General obligation Refunding Bonds in an amount of \$3,410,000. The purpose of the issuance was to refund series 2001, series 2002, series 2004, series 2006, and series 2007 bonds. The Series 2011 G.O. Refunding bonds are payable in annual installments on August 1 and interest is payable on February 1 and August 1. The future requirements for bonds payable are as follows:

Due in Year Ending	Principal	Interest	Total
2013	\$ 570,000	\$ 31,506	\$ 601,506
2014	545,000	29,619	574,619
2015	515,000	26,751	541,751
2016	450,000	22,773	472,773
2017	490,000	17,458	507,458
2018 - 2023	315,000	16,202	331,202
Totals	<u>2,885,000</u>	<u>144,309</u>	<u>3,029,309</u>
Total all issues	<u>\$ 5,370,000</u>	<u>\$ 705,740</u>	<u>\$ 6,075,740</u>

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 6 - LONG-TERM LIABILITIES (continued)

C. Operating Leases

The District was not entered into any operating leases during the fiscal year.

D. Short-Term Liabilities

The District did not have any short-term liabilities during the fiscal year.

NOTE 7 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and Workmen's Compensation. For these risks of loss the School District belongs to a public entity risk pool currently operated as a common risk management and insurance program for 89 member School District, (New Mexico Public School Insurance Authority). Amounts of settlement have not exceeded insurance coverage In the past three years.

NOTE 8 - SOUTHWEST REGIONAL EDUCATIONAL COOPERATIVE #10

The School District is a member of the Southwest Regional Educational Cooperative #10. The Southwest Regional Educational Cooperative #10 issues a separate, publicly available financial report that includes financial statements and required supplementary information. A copy of that audit report can be obtained by writing to the Southwest Regional Educational Cooperative #10, PO Box 952, Truth or Consequences ,New Mexico 87901.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 9 - RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

	<u>General</u>	<u>24101-Title I- IASA</u>	<u>24106 - Entitlement Idea-B</u>	<u>26199- Spaceport Grt Grant-Sierra County</u>
Revenues per modified accrual basis	\$ 10,948,210	\$ 824,421	\$ 376,075	\$ 105,590
Receivables	(255)			
Deferred revenues/Due from grantor	<u> </u>	<u>(317,117)</u>	<u>(153,495)</u>	<u>(211,301)</u>
Revenues per budgetary basis	<u>10,947,955</u>	<u>507,304</u>	<u>222,580</u>	<u>(105,711)</u>
Expenditures per modified accrual basis	11,089,152	824,421	376,075	105,590
Inventory changes				
Accounts payable	<u>4,250</u>	<u> </u>	<u> </u>	<u> </u>
Expenditures per budgetary basis	<u>\$ 11,093,402</u>	<u>\$ 824,421</u>	<u>\$ 376,075</u>	<u>\$ 105,590</u>
			<u>Non- Major Special Revenue</u>	
	<u>31100 Bond Building</u>	<u>Debt Service</u>		
Revenues per modified accrual basis	\$ 58,097	\$ 2,066,920	\$ 1,794,611	
Receivables		(3,306)	(936)	
Deferred revenues/Due from grantor	<u> </u>	<u> </u>	<u>160,320</u>	
Revenues per budgetary basis	<u>58,097</u>	<u>2,063,614</u>	<u>1,953,995</u>	
Expenditures per modified accrual basis	85,867	1,565,193	1,604,797	
Inventory changes			(692)	
Accounts payable	<u> </u>	<u> </u>	<u>(6,244)</u>	
Expenditures per budgetary basis	<u>\$ 85,867</u>	<u>\$ 1,565,193</u>	<u>\$ 1,597,861</u>	

The reconciliation for each non-major fund can be found in the Supplementary information section of this report

NOTE 10 - CAPITAL ASSETS

Capital assets balances and activity for the year ended June 30, 2012 are as follows:

	<u>Balance July 01, 2011</u>	<u>Additions</u>	<u>Reallocation</u>	<u>Balance June 30, 2012</u>
Governmental activities:				
Land	\$ 209,360	\$ <u> </u>	\$ <u> </u>	\$ 209,360
Total capital assets not being depreciated	<u>209,360</u>	<u>0</u>	<u>0</u>	<u>209,360</u>
Land improvements	1,551,965	41,230		1,593,195
Vehicles	1,818,616			1,818,616
Buildings & improvements	34,762,217	303,172	(20,434)	35,085,823
Furniture & equipment	<u>3,063,909</u>	<u>197,486</u>	<u>20,434</u>	<u>3,240,961</u>
Total	<u>41,196,707</u>	<u>541,888</u>	<u>0</u>	<u>41,738,595</u>

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 10 - CAPITAL ASSETS (continued)

Less accumulated depreciation:

Land improvements	(211,578)	(84,394)		(295,972)
Vehicles	(1,145,743)	(136,788)		(1,282,531)
Buildings & improvements	(8,947,288)	(1,031,599)	(1,476)	(9,977,411)
Furniture & equipment	<u>(2,031,884)</u>	<u>(82,674)</u>	<u>1,476</u>	<u>(2,116,034)</u>
Total	<u>(12,336,493)</u>	<u>(1,335,455)</u>	<u>0</u>	<u>(13,671,948)</u>

Governmental activities

Capital assets, net	\$ <u>29,069,574</u>	\$ <u>(793,567)</u>	\$ <u>0</u>	\$ <u>28,276,007</u>
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The District had no infrastructure as of June 30, 2012. The District received \$279,173 in Capital Asset Improvements from the Public School Finance Authority.

Depreciation expense was charged to governmental activities as follows:

Unallocated	\$ <u>1,335,455</u>
Total depreciation expense	\$ <u>1,335,455</u>

NOTE 11 - ENDOWMENTS

The District received an endowment from the Estate of Joe W. Lang. This endowment is to be used for investment purposes with only the proceeds from such investments restricted to use for scholarships. The corpus of \$39,558 which was received in 1999 is to remain intact indefinitely. The District received a \$10,000 endowment from the Sarah Genevieve Howe Estate to be called the Robert Howe Educational Trust. This endowment is to be used for investment purposes restricted to use for scholarships. The corpus of \$-0- is to remain intact indefinitely. The District received a \$30,000 endowment from the Mary E. Irvin Revocable Trust in 1995. This endowment is to be used for scholarships. The amount is to be paid out at \$30,000 per year for 10 years. Any proceeds received from investing the \$30,000 can also be used for scholarship purposes.

NOTE 12 - RETIREMENT PLAN

Plan Description. Substantially all of the Truth or Consequences Municipal Schools 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 (ERA) 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). ERA 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 ERA, PO Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERA's website at www.nmerb.org.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2012

NOTE 12 - RETIREMENT PLAN (continued)

Funding Policy. Effective July 1, 2011, plan members are required by statute to contribute 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. Truth or Consequences Municipal Schools is required to contribute 12.4% of the 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 Truth or Consequences Municipal Schools are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. Truth or Consequences Municipal Schools contributions to ERA for the years ending June 30, 2012, 2011, and 2010 were \$749,095, \$1,855,031 and \$926,492, respectively, which equals the amount of the required contributions for each fiscal year.

NOTE 13 - POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description. Truth or Consequences Municipal Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provided 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 event the time period required for employee and employer contributions shall become the period of time between the employers effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 01, 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 post-employment healthcare plan. The report and further information can be obtained by writing to Retiree Health Care Authority, 4308 Carlisle Boulevard, Suite 104, Albuquerque, New Mexico 87107.

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2012

NOTE 13 - POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (continued)

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorized 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 for the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and employees. During the fiscal year ending June 30, 2012, the statute requires 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:

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

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY 13	2.0000%	1.0000%

Also, employers joining the program after 1/1/98 are 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.

Truth or Consequences Municipal Schools contributions to the RHCA for the years ended June 30, 2012, 2011, and 2010 were \$145,594, \$129,157 and \$109,515, respectively, which equal the required contributions for each year.

NOTE 14 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds exceeded approved budgetary authority for the year ended June 30, 2012.

Governmental Funds:

Nonmajor Funds:

Title XIX Medicaid-Support Services-Students	1,496
ROTC-Instruction	1,500
Capital Improvements SB-9-Support Services-General Administration	21
Debt Service-Support Services-General Administration	6,010
Total Nonmajor Governmental Funds	9,027

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2012

NOTE 15 - DEFERRED COMPENSATION PLAN

The District has adopted a deferred compensation plan under Code Section 457. Employees can contribute up to 25% of their salary. The plan is managed by First Financial Administrators, Inc. with One America being the transfer agent holding the funds. Employee contributions to this plan for the year end, June 30, 2012, was \$230,912.

NOTE 16 - JOINT POWERS AGREEMENTS

A Joint Powers Agreement was entered into with the City of Truth or Consequences. The School District obtained a grant from the Department of Transportation to help pay for the construction of a specific road. The City is responsible for providing the improvements to the specified road. The JPA is dated October 27, 2009. The Grant is dated August 26, 2009. The end date will be when the construction of the road is completed. The total amount of the project is unknown. The total amount of the Grant is \$13,088. The School District is responsible for the audit of the Grant. The Department of Transportation is the fiscal agent concerning this Grant.

NOTE 17 - FUND BALANCES CLASSIFIED

Fund balance is classified as non spendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented here.

<u>Fund Balances</u>	<u>General Fund</u>	<u>Bond Building</u>	<u>Debt Services</u>	<u>Non - Major Governmental Fund</u>	<u>Total</u>
Nonspendable:					
Inter fund loans	\$	\$	\$	\$	\$
Inventory				18,180	18,180
Total nonspendable	0	0	0	18,180	18,180
Restricted for:					
Transportation services	30				30
Instructional materials	2,592				2,592
Capital improvements		987,388			987,388
Debt service payments			1,691,549		1,691,549
Athletic services				5,337	5,337
Special grants					
Cafeteria services				135,719	135,719
Total restricted	2,622	987,388	1,691,549	141,056	2,822,615
Committed to:					
Other purposes					
Total committed	0	0	0	0	0
Unassigned:					
Total Fund Balances	\$ 2,066,026	\$ 987,388	\$ 1,691,549	\$ 159,236	\$ 2,840,795

**SUPPLEMENTARY INFORMATION RELATED TO
NON MAJOR FUNDS**

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
June 30, 2012

Non Major Funds

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

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

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

IDEA Part B, Discretionary (24107). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

IDEA Preschool (24109). To provide grants to States to assist those in providing a free appropriate public education to all children with disabilities. Individuals with Disabilities Education Act (IDEA), Part B, Section 611-617, and part D, Section 674 as amended, 20 U. S. C. 1411-1417 and 1420. The fund was created by the authority of federal grant provisions.

Fresh Fruits & Vegetables (24118). To account for a Federal grant to provide a variety of free fresh fruits and vegetables to children to help create a healthier school environment. Funding is authorized by the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, signed in November 2005, Public Law 109-97.

IDEA B Risk Pool (24120). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Title V (24150). To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103- 382).

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

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
June 30, 2012

Non Major Funds (continued)

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

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

Reading First (24167). The purpose of this grant is to ensure that all children can read at grade level or above by the end of third grade. The Reading First program is authorized by Title I, Part B, Subpart 1 of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (20 USC 6361 et seq.).

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

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

Elementary Breakfast (24290). To account for the revenues and expenditures for a federal grant to provide breakfast in the classroom. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Medicaid (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

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

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

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
June 30, 2012

Non Major Funds (continued)

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.

A+ for Energy (26179). To account for a local grant to reward the School of excellent performance. The authority for the special revenue fund is by grant provisions.

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

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

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

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

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for beginning teacher mentoring programs. The fund was created by state grant provisions.

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

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 Book Fund (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.

Sun Safety (28146). To teach kids on safety from the sun, the effect that the sun has on them and hoe to protect themselves from further damage to their skin. The fund was created by state grant provisions.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
June 30, 2012

Non Major Funds (continued)

Gear Up (28178). To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. The fund was created by state grant provisions.

Special Capital Outlay-State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

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

Educational Technology Equipment Act (31900). To account for proceeds received from the issuance of Educational Technology Notes to be used for the acquisition of education technology equipment for use in classrooms and library and media centers. Authority for the creation of this fund is NMSA 1978, 6-15A-1 through 6-15A-16.

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>21000 - FOOD SERVICES</u>	<u>22000 - ATHLETICS</u>	<u>24103 - MIGRANT CHILDREN EDUCATION</u>
ASSETS			
Cash and Cash Equivalents	\$ 113,654	\$ 10,793	\$ 3,155
Receivables			
Property Taxes			
Due from Grantor	22,853		1,833
Interfund Balance			
Inventory	<u>18,180</u>	<u> </u>	<u> </u>
Total Assets	<u><u>154,687</u></u>	<u><u>10,793</u></u>	<u><u>4,988</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit			4,988
Accounts Payable	788	5,456	
Deferred Revenue			
Interfund Payable	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u><u>788</u></u>	<u><u>5,456</u></u>	<u><u>4,988</u></u>
Fund Balances			
Nonspendable-Inventory	18,180		
Restricted-Reported In			
Special Revenue Funds	135,719	5,337	
Assigned-Capital Improvements	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u><u>153,899</u></u>	<u><u>5,337</u></u>	<u><u>0</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 154,687</u></u>	<u><u>\$ 10,793</u></u>	<u><u>\$ 4,988</u></u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>24109 - PRESCHOOL IDEA-B</u>	<u>24113 - EDUCATION OF HOMELESS</u>	<u>24118 - FRESH FRUIT/ VEGETABLE PROGRAM</u>
ASSETS			
Cash and Cash Equivalents	\$	\$	\$ 1,514
Receivables			
Property Taxes			
Due from Grantor	2,896	1,121	
Interfund Balance			
Inventory			
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u> 2,896</u>	<u> 1,121</u>	<u> 1,514</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit	2,896	1,121	
Accounts Payable			
Deferred Revenue			1,514
Interfund Payable			
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> 2,896</u>	<u> 1,121</u>	<u> 1,514</u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total Liabilities and Fund Balance	<u>\$ 2,896</u>	<u>\$ 1,121</u>	<u>\$ 1,514</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>24133 - ENHANCING EDUCATION THROUGH TECHNOLOGY</u>	<u>24153 - ENGLISH LANGUAGE ACQUISITION</u>	<u>24154 - TEACHER / PRINCIPAL TRAINING & RECRUITING</u>
ASSETS			
Cash and Cash Equivalents	\$	\$	\$
Receivables			
Property Taxes			
Due from Grantor	3,600	11,987	36,576
Interfund Balance			
Inventory			
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u> 3,600</u>	<u> 11,987</u>	<u> 36,576</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit	3,600	11,987	36,576
Accounts Payable			
Deferred Revenue			
Interfund Payable			
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> 3,600</u>	<u> 11,987</u>	<u> 36,576</u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total Liabilities and Fund Balance	<u> 3,600</u>	<u> 11,987</u>	<u> 36,576</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	24160 - RURAL & LOW - INCOME SCHOOLS	24162 - TITLE I SCHOOL IMPROVEMENT	24174 - CARL D PERKINS SECONDARY - CURRENT
ASSETS			
Cash and Cash Equivalents	\$	\$	\$
Receivables			
Property Taxes			
Due from Grantor	31,223		7,819
Interfund Balance			
Inventory			
	<u>31,223</u>	<u>0</u>	<u>7,819</u>
Total Assets	<u>31,223</u>	<u>0</u>	<u>7,819</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit	31,223		7,819
Accounts Payable			
Deferred Revenue			
Interfund Payable			
	<u>31,223</u>	<u>0</u>	<u>7,819</u>
Total Liabilities	<u>31,223</u>	<u>0</u>	<u>7,819</u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 31,223</u>	<u>\$ 0</u>	<u>\$ 7,819</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>24201 - TITLE I - STIMULUS</u>	<u>24206 - ARRA- ENTITLEMENT</u>	<u>25153 - TITLE XIX MEDICAID 3/21 YEARS</u>
ASSETS			
Cash and Cash Equivalents	\$	\$	\$ 12,490
Receivables			
Property Taxes			
Due from Grantor			1,496
Interfund Balance		92,898	
Inventory			
	<u>0</u>	<u>92,898</u>	<u>13,986</u>
Total Assets	<u><u>0</u></u>	<u><u>92,898</u></u>	<u><u>13,986</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit			
Accounts Payable			
Deferred Revenue		92,898	
Interfund Payable			13,986
	<u>0</u>	<u>92,898</u>	<u>13,986</u>
Total Liabilities	<u><u>0</u></u>	<u><u>92,898</u></u>	<u><u>13,986</u></u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 0</u></u>	<u><u>\$ 92,898</u></u>	<u><u>\$ 13,986</u></u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>25200 - ROTC</u>	<u>25255 - EDUCATION JOB FUND</u>	<u>27103 - DUAL CREDIT INSTR. MATERIALS HB2</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,277	\$ 5	\$
Receivables			
Property Taxes			
Due from Grantor			
Interfund Balance		68,980	
Inventory			
Total Assets	<u>3,277</u>	<u>68,985</u>	<u>0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit			
Accounts Payable			
Deferred Revenue	3,277	68,985	
Interfund Payable			
Total Liabilities	<u>3,277</u>	<u>68,985</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,277</u>	<u>\$ 68,985</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	27105 - GO STUDENT LIBRARY FUND - SB333	27106 - 2010 GO BOND STUDENT LIBRARY	27117 - TECHNOLOGY FOR EDUCATION PED
ASSETS			
Cash and Cash Equivalents	\$	\$	\$ 6,997
Receivables			
Property Taxes			
Due from Grantor			
Interfund Balance			
Inventory			
Total Assets	0	0	6,997
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit			
Accounts Payable			
Deferred Revenue			
Interfund Payable			6,997
Total Liabilities	0	0	6,997
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 6,997

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>27138 - INCENTIVES FOR SCHOOL</u>	<u>27149 - PREK INITIATIVE</u>	<u>27154 - BEGINNING TEACHER MENTORING PROGRAM</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,294	\$	\$ 204
Receivables			
Property Taxes			
Due from Grantor			
Interfund Balance		49,649	
Inventory			
	<u>3,294</u>	<u>49,649</u>	<u>204</u>
Total Assets	<u><u>3,294</u></u>	<u><u>49,649</u></u>	<u><u>204</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit		49,649	
Accounts Payable			
Deferred Revenue			204
Interfund Payable	<u>3,294</u>		
	<u>3,294</u>	<u>49,649</u>	<u>204</u>
Total Liabilities	<u><u>3,294</u></u>	<u><u>49,649</u></u>	<u><u>204</u></u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 3,294</u></u>	<u><u>\$ 49,649</u></u>	<u><u>\$ 204</u></u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	27155 - BREAKFAST FOR ELEMENTARY STUDENTS	<u>27166 - K-3 PLUS</u>	<u>27169 - PRE K INITIATIVE</u>
ASSETS			
Cash and Cash Equivalents	\$ 8,990	\$	\$
Receivables			
Property Taxes			
Due from Grantor			1,122
Interfund Balance			
Inventory			
Total Assets	<u>8,990</u>	<u>0</u>	<u>1,122</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit			1,122
Accounts Payable			
Deferred Revenue	8,990		
Interfund Payable			
Total Liabilities	<u>8,990</u>	<u>0</u>	<u>1,122</u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 8,990</u>	<u>\$ 0</u>	<u>\$ 1,122</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	<u>27170 - GO BOND LIBRARY</u>	<u>27549 - LIBRARY BOOK FUND</u>	<u>28120 - NM HIGHWAY DEPT (ROAD)</u>
ASSETS			
Cash and Cash Equivalents	\$	\$	\$
Receivables		14	13,088
Property Taxes			
Due from Grantor			
Interfund Balance			
Inventory			
Total Assets	<u>0</u>	<u>14</u>	<u>13,088</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Cash deficit			11,063
Accounts Payable			
Deferred Revenue		14	2,025
Interfund Payable			
Total Liabilities	<u>0</u>	<u>14</u>	<u>13,088</u>
Fund Balances			
Nonspendable-Inventory			
Restricted-Reported In			
Special Revenue Funds			
Assigned-Capital Improvements			
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 14</u>	<u>\$ 13,088</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Balance Sheet
 For the Year Ended June 30, 2012

	31700 - CAPITAL IMPROVEMENTS	
	SB-9	TOTAL
ASSETS		
Cash and Cash Equivalents	\$ 673,961	\$ 851,436
Receivables		
Property Taxes	13,866	13,866
Due from Grantor		122,526
Interfund Balance		211,527
Inventory		18,180
	687,827	1,217,535
Total Assets	687,827	1,217,535
LIABILITIES AND FUND BALANCE		
Liabilities		
Cash deficit		162,044
Accounts Payable		6,244
Deferred Revenue		177,907
Interfund Payable		24,277
	0	370,472
Total Liabilities	0	370,472
Fund Balances		
Nonspendable-Inventory		18,180
Restricted-Reported In		
Special Revenue Funds		141,056
Assigned-Capital Improvements	687,827	687,827
	687,827	847,063
Total Fund Balance	687,827	847,063
Total Liabilities and Fund Balance	\$ 687,827	\$ 1,217,535

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>21000 - FOOD SERVICES</u>	<u>22000 - ATHLETICS</u>	<u>24103 - MIGRANT CHILDREN EDUCATION</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants	625,802		13,651
Capital grants			
Fines & Fees	53,999	37,513	
Interest			
Miscellaneous	<u>73</u>		
Total Revenues	<u>679,874</u>	<u>37,513</u>	<u>13,651</u>
Expenditures			
Current			
Instruction		40,220	13,651
Support Services-Students			
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations	627,153		
Capital Outlay			
Debt Service			
Principal			
Interest			
Total Expenditures	<u>627,153</u>	<u>40,220</u>	<u>13,651</u>
Excess (Deficiency) of Revenues Over Expenditures	52,721	(2,707)	0
Fund Balances at Beginning of Year	<u>101,178</u>	<u>8,044</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 153,899</u>	<u>\$ 5,337</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>24109 - PRESCHOOL IDEA-B</u>	<u>24113 - EDUCATION OF HOMELESS</u>	<u>24118 - FRESH FRUIT/ VEGETABLE PROGRAM</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants	5,946	4,641	20,939
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u>5,946</u>	<u>4,641</u>	<u>20,939</u>
Total Revenues			
Expenditures			
Current			
Instruction	5,946		
Support Services-Students		4,641	
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			20,939
Capital Outlay			
Debt Service			
Principal			
Interest			
	<u>5,946</u>	<u>4,641</u>	<u>20,939</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>24133 - ENHANCING EDUCATION THROUGH TECHNOLOGY</u>	<u>24153 - ENGLISH LANGUAGE ACQUISITION</u>	<u>24154 - TEACHER / PRINCIPAL TRAINING & RECRUITING</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants		35,085	73,916
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u>0</u>	<u>35,085</u>	<u>73,916</u>
Total Revenues			
Expenditures			
Current			
Instruction		35,085	71,508
Support Services-Students			
Support Services-Instruction			
Support Services-General Administration			2,408
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
	<u>0</u>	<u>35,085</u>	<u>73,916</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>24160 - RURAL & LOW - INCOME SCHOOLS</u>	<u>24162 - TITLE I SCHOOL IMPROVEMENT</u>	<u>24174 - CARL D PERKINS SECONDARY - CURRENT</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants	34,137	17,099	22,814
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>34,137</u>	<u>17,099</u>	<u>22,814</u>
Expenditures			
Current			
Instruction	33,717	17,099	22,814
Support Services-Students	420		
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>34,137</u>	<u>17,099</u>	<u>22,814</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>24201 - TITLE I - STIMULUS</u>	<u>24206 - ARRA- ENTITLEMENT</u>	<u>25153 - TITLE XIX MEDICAID 3/21 YEARS</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants	390	7,987	80,380
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u> 390</u>	<u> 7,987</u>	<u> 80,380</u>
Expenditures			
Current			
Instruction	390	7,987	
Support Services-Students			80,380
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u> 390</u>	<u> 7,987</u>	<u> 80,380</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance End of Year	<u><u> 0</u></u>	<u><u> 0</u></u>	<u><u> 0</u></u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	25200 - ROTC	25255 - EDUCATION JOB FUND	27103 - DUAL CREDIT INSTR. MATERIALS HB2
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			2,630
Federal Grants	65,552	4,088	
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
Total Revenues	65,552	4,088	2,630
Expenditures			
Current			
Instruction	65,552	4,088	2,630
Support Services-Students			
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
Total Expenditures	65,552	4,088	2,630
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	27105 - GO STUDENT LIBRARY FUND - SB333	27106 - 2010 GO BOND STUDENT LIBRARY	27117 - TECHNOLOGY FOR EDUCATION PED
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants	2,924		
Federal Grants			
Capital grants			
Fines & Fees			
Interest			
Miscellaneous		2,075	
	2,924	2,075	0
Total Revenues	2,924	2,075	0
Expenditures			
Current			
Instruction			
Support Services-Students			
Support Services-Instruction	2,924	2,075	
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
	2,924	2,075	0
Total Expenditures	2,924	2,075	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>27138 - INCENTIVES FOR SCHOOL</u>	<u>27149 - PREK INITIATIVE</u>	<u>27154 - BEGINNING TEACHER MENTORING PROGRAM</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants		79,369	
Federal Grants			
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u>0</u>	<u>79,369</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>79,369</u>	<u>0</u>
Expenditures			
Current			
Instruction		72,485	
Support Services-Students			
Support Services-Instruction			
Support Services-General Administration		2,602	
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation		4,282	
Food Services Operations			
Capital Outlay			
Debt Service			
Principal			
Interest			
	<u>0</u>	<u>79,369</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>79,369</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	27155 - BREAKFAST FOR ELEMENTARY STUDENTS	<u>27166 - K-3 PLUS</u>	<u>27169 - PRE K INITIATIVE</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			
Federal Grants	2,091		
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u>2,091</u>	<u>0</u>	<u>0</u>
Total Revenues			
Expenditures			
Current			
Instruction			
Support Services-Students			
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations	2,091		
Capital Outlay			
Debt Service			
Principal			
Interest			
	<u>2,091</u>	<u>0</u>	<u>0</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	<u>27170 - GO</u> <u>BOND LIBRARY</u>	<u>27549 - LIBRARY</u> <u>BOOK FUND</u>	<u>28120 - NM</u> <u>HIGHWAY DEPT</u> <u>(ROAD)</u>
Revenues			
Property Taxes	\$	\$	\$
State & Local Grants			29,591
Federal Grants			
Capital grants			
Fines & Fees			
Interest			
Miscellaneous			
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u> 0</u>	<u> 0</u>	<u> 29,591</u>
Expenditures			
Current			
Instruction			
Support Services-Students			
Support Services-Instruction			
Support Services-General Administration			
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation			
Food Services Operations			
Capital Outlay			29,591
Debt Service			
Principal			
Interest			
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u> 0</u>	<u> 0</u>	<u> 29,591</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Non Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2012

	31700 - CAPITAL IMPROVEMENT		
	S SB-9	TOTAL	
Revenues			
Property Taxes	\$ 571,380	\$ 571,380	
State & Local Grants		114,514	
Federal Grants		1,014,518	
Capital grants			
Fines & Fees		91,512	
Interest			
Miscellaneous	539	2,687	
Total Revenues	571,919	1,794,611	
Expenditures			
Current			
Instruction		393,172	
Support Services-Students		85,441	
Support Services-Instruction		4,999	
Support Services-General Administration	5,689	10,699	
Support Services-School Administration			
Central Services			
Operation & Maintenance of Plant			
Student Transportation		4,282	
Food Services Operations		650,183	
Capital Outlay	426,430	456,021	
Debt Service			
Principal			
Interest			
Total Expenditures	432,119	1,604,797	
Excess (Deficiency) of Revenues Over Expenditures	139,800	189,814	
Fund Balances at Beginning of Year	548,027	657,249	
Fund Balance End of Year	\$ 687,827	\$ 847,063	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES 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

	<u>Budgeted Amounts</u>		Actual	Variances
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Positive (Negative) Final to Actual
REVENUES:				
Federal Grants	\$ 54,891	\$ 54,891	\$ 564,684	\$ 509,793
Charges for services	532,933	532,933	53,999	(478,934)
Interest Income	<u>63</u>	<u>63</u>	<u>72</u>	<u>9</u>
Total Revenues	<u>587,887</u>	<u>587,887</u>	<u>618,755</u>	<u>30,868</u>
EXPENDITURES:				
Food Services Operations	<u>665,319</u>	<u>665,319</u>	<u>587,537</u>	<u>77,782</u>
Total Expenditures	<u>665,319</u>	<u>665,319</u>	<u>587,537</u>	<u>77,782</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,432)	(77,432)	31,218	(108,650)
Cash Balance Beginning of Year	<u>74,441</u>	<u>74,441</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (2,991)</u></u>	<u><u>\$ (2,991)</u></u>	<u>31,218</u>	<u><u>\$ (108,650)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			31,218	
Net change in Accounts Receivable			61,118	
Net change in Accounts Payable			<u>(39,616)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 52,720</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES 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

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ <u>34,089</u>	\$ <u>34,089</u>	\$ <u>37,513</u>	\$ <u>3,424</u>
Total Revenues	<u>34,089</u>	<u>34,089</u>	<u>37,513</u>	<u>3,424</u>
EXPENDITURES:				
Instruction	<u>41,893</u>	<u>41,893</u>	<u>34,764</u>	<u>7,129</u>
Total Expenditures	<u>41,893</u>	<u>41,893</u>	<u>34,764</u>	<u>7,129</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,804)</u>	<u>(7,804)</u>	<u>2,749</u>	<u>(10,553)</u>
Cash Balance Beginning of Year	<u>13,872</u>	<u>13,872</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,068</u>	<u>\$ 6,068</u>	<u>2,749</u>	<u>\$ (10,553)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			2,749	
Net change in Accounts Payable			<u>(5,456)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,707)</u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Migrant Children Education - 24103
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ <u>15,000</u>	\$ <u>15,027</u>	\$ <u>16,806</u>	\$ <u>1,779</u>
Total Revenues	<u>15,000</u>	<u>15,027</u>	<u>16,806</u>	<u>1,779</u>
EXPENDITURES:				
Instruction	<u>15,000</u>	<u>15,027</u>	<u>13,650</u>	<u>1,377</u>
Total Expenditures	<u>15,000</u>	<u>15,027</u>	<u>13,650</u>	<u>1,377</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>3,156</u>	<u>(3,156)</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u>3,156</u>	<u><u>(3,156)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			3,156	
Net change in Accounts Receivable			<u>(3,156)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Idea Part B, Preschool-24109
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
REVENUES:				
Federal Grants	\$ <u>12,127</u>	\$ <u>12,127</u>	\$ <u>9,098</u>	\$ <u>(3,029)</u>
Total Revenues	<u>12,127</u>	<u>12,127</u>	<u>9,098</u>	<u>(3,029)</u>
EXPENDITURES:				
Instruction	<u>12,127</u>	<u>12,127</u>	<u>5,946</u>	<u>6,181</u>
Total Expenditures	<u>12,127</u>	<u>12,127</u>	<u>5,946</u>	<u>6,181</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>3,152</u>	<u>(3,152)</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u>3,152</u>	<u><u>(3,152)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			3,152	
Net change in Accounts Receivable			<u>(3,152)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Education Of Homeless-24113
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
REVENUES:				
Federal Grants	\$ <u>10,000</u>	\$ <u>19,520</u>	\$ <u>3,520</u>	\$ <u>(16,000)</u>
Total Revenues	<u>10,000</u>	<u>19,520</u>	<u>3,520</u>	<u>(16,000)</u>
EXPENDITURES:				
Support Services-Students	<u>10,000</u>	<u>19,520</u>	<u>4,641</u>	<u>14,879</u>
Total Expenditures	<u>10,000</u>	<u>19,520</u>	<u>4,641</u>	<u>14,879</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(1,121)</u>	<u>1,121</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>(1,121)</u>	<u>\$ 1,121</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(1,121)	
Net change in Accounts Receivable			<u>1,121</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Fresh Fruit & Vegetables-24118
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ <u> </u>	\$ <u>35,672</u>	\$ <u>21,020</u>	\$ <u>(14,652)</u>
Total Revenues	<u> 0</u>	<u>35,672</u>	<u>21,020</u>	<u>(14,652)</u>
EXPENDITURES:				
Food Services Operations	<u> </u>	<u>35,672</u>	<u>20,939</u>	<u>14,733</u>
Total Expenditures	<u> 0</u>	<u>35,672</u>	<u>20,939</u>	<u>14,733</u>
Excess (Deficiency) of Revenues Over Expenditures	<u> 0</u>	<u> 0</u>	<u> 81</u>	<u> (81)</u>
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> 81</u>	\$ <u> (81)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			81	
Net change in Accounts Receivable			<u> (81)</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - English Language Acquisition-24153
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ <u>9,198</u>	\$ <u>74,369</u>	\$ <u>25,014</u>	\$ <u>(49,355)</u>
Total Revenues	<u>9,198</u>	<u>74,369</u>	<u>25,014</u>	<u>(49,355)</u>
EXPENDITURES:				
Instruction	<u>9,198</u>	<u>74,369</u>	<u>35,085</u>	<u>39,284</u>
Total Expenditures	<u>9,198</u>	<u>74,369</u>	<u>35,085</u>	<u>39,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(10,071)</u>	<u>10,071</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(10,071)</u></u>	<u><u>10,071</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(10,071)	
Net change in Accounts Receivable			<u>10,071</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Teacher / Principal Training & Recruiting-24154
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
REVENUES:				
Federal Grants	\$ <u>87,246</u>	\$ <u>96,924</u>	\$ <u>46,631</u>	\$ <u>(50,293)</u>
Total Revenues	<u>87,246</u>	<u>96,924</u>	<u>46,631</u>	<u>(50,293)</u>
EXPENDITURES:				
Instruction	84,770	94,448	71,508	22,940
Support Services-General Administration	<u>2,476</u>	<u>2,476</u>	<u>2,408</u>	<u>68</u>
Total Expenditures	<u>87,246</u>	<u>96,924</u>	<u>73,916</u>	<u>23,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(27,285)</u>	<u>27,285</u>
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>(27,285)</u>	<u>\$ 27,285</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(27,285)	
Net change in Accounts Receivable			<u>27,285</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Rural & Low - Income Schools-24160
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
REVENUES:				
Federal Grants	\$ <u>25,496</u>	\$ <u>46,914</u>	\$ <u>6,455</u>	\$ <u>(40,459)</u>
Total Revenues	<u>25,496</u>	<u>46,914</u>	<u>6,455</u>	<u>(40,459)</u>
EXPENDITURES:				
Instruction	25,496	42,729	33,717	9,012
Support Services-Students	<u> </u>	<u>4,185</u>	<u>420</u>	<u>3,765</u>
Total Expenditures	<u>25,496</u>	<u>46,914</u>	<u>34,137</u>	<u>12,777</u>
Excess (Deficiency) of Revenues Over Expenditures	<u> 0</u>	<u> 0</u>	<u>(27,682)</u>	<u>27,682</u>
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>(27,682)</u>	\$ <u>27,682</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(27,682)	
Net change in Accounts Receivable			<u>27,682</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Title I School Improvement - 24162
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ _____	\$ <u>17,099</u>	\$ <u>17,099</u>	\$ _____
Total Revenues	<u>0</u>	<u>17,099</u>	<u>17,099</u>	<u>0</u>
EXPENDITURES:				
Instruction	_____	<u>17,099</u>	<u>17,099</u>	_____
Total Expenditures	<u>0</u>	<u>17,099</u>	<u>17,099</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Carl D Perkins Secondary- 24174
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ <u>17,079</u>	\$ <u>23,022</u>	\$ <u>15,625</u>	\$ <u>(7,397)</u>
Total Revenues	<u>17,079</u>	<u>23,022</u>	<u>15,625</u>	<u>(7,397)</u>
EXPENDITURES:				
Instruction	<u>17,079</u>	<u>23,022</u>	<u>22,814</u>	<u>208</u>
Total Expenditures	<u>17,079</u>	<u>23,022</u>	<u>22,814</u>	<u>208</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(7,189)</u>	<u>7,189</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>(7,189)</u>	<u>\$ 7,189</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(7,189)	
Net change in Accounts Receivable			<u>(7,189)</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Title I - Stimulus - 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ _____	\$ _____ 390	\$ _____ 37,449	\$ _____ 37,059
Total Revenues	0	390	37,449	37,059
EXPENDITURES:				
Instruction	_____	_____ 390	_____ 390	_____
Total Expenditures	0	390	390	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	37,059	(37,059)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	0	0	37,059	\$ (37,059)
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			37,059	
Net change in Accounts Receivable			(37,059)	
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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - ARRA - Entitlement - 24206
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ _____	\$ <u>7,987</u>	\$ <u>100,885</u>	\$ <u>92,898</u>
Total Revenues	<u>0</u>	<u>7,987</u>	<u>100,885</u>	<u>92,898</u>
EXPENDITURES:				
Instruction	_____	<u>7,987</u>	<u>7,987</u>	_____
Total Expenditures	<u>0</u>	<u>7,987</u>	<u>7,987</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>92,898</u>	<u>(92,898)</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u>92,898</u>	<u><u>(92,898)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			92,898	
Net change in Accounts Receivable			<u>(92,898)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Title XIX Medicaid 3/21 Years - 25153
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ <u>78,884</u>	\$ <u>78,884</u>	\$ <u>78,884</u>	\$ <u>0</u>
Total Revenues	<u>78,884</u>	<u>78,884</u>	<u>78,884</u>	<u>0</u>
EXPENDITURES:				
Support Services-Students	<u>78,884</u>	<u>78,884</u>	<u>80,380</u>	<u>(1,496)</u>
Total Expenditures	<u>78,884</u>	<u>78,884</u>	<u>80,380</u>	<u>(1,496)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(1,496)</u>	<u>1,496</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u>(1,496)</u>	<u><u>1,496</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(1,496)	
Net change in Accounts Receivable			<u>1,496</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - ROTC-25200
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
REVENUES:				
Federal Grants	\$ <u>64,052</u>	\$ <u>64,052</u>	\$ <u>64,833</u>	\$ <u>781</u>
Total Revenues	<u>64,052</u>	<u>64,052</u>	<u>64,833</u>	<u>781</u>
EXPENDITURES:				
Instruction	<u>64,052</u>	<u>64,052</u>	<u>65,552</u>	<u>(1,500)</u>
Total Expenditures	<u>64,052</u>	<u>64,052</u>	<u>65,552</u>	<u>(1,500)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(719)</u>	<u>719</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u>(719)</u>	<u><u>719</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(719)	
Net change in Accounts Receivable			<u>719</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Federal Grants	\$ _____	\$ <u>4,088</u>	\$ <u>73,073</u>	\$ <u>68,985</u>
Total Revenues	<u>0</u>	<u>4,088</u>	<u>73,073</u>	<u>68,985</u>
EXPENDITURES:				
Instruction	_____	<u>4,088</u>	<u>4,088</u>	_____
Total Expenditures	<u>0</u>	<u>4,088</u>	<u>4,088</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>68,985</u>	<u>(68,985)</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	<u>68,985</u>	\$ <u><u>(68,985)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			68,985	
Net change in Accounts Receivable			<u>(68,985)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Dual Credits-27103
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
REVENUES:				
Federal Grants	\$ <u> </u>	\$ <u> 3,980</u>	\$ <u> 815</u>	\$ <u> (3,165)</u>
Total Revenues	<u> 0</u>	<u> 3,980</u>	<u> 815</u>	<u> (3,165)</u>
EXPENDITURES:				
Instruction	<u> </u>	<u> 3,980</u>	<u> 2,630</u>	<u> 1,350</u>
Total Expenditures	<u> 0</u>	<u> 3,980</u>	<u> 2,630</u>	<u> 1,350</u>
Excess (Deficiency) of Revenues Over Expenditures	<u> 0</u>	<u> 0</u>	<u> (1,815)</u>	<u> 1,815</u>
Cash Balance Beginning of Year	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Cash Balance End of Year	\$ <u> 0</u>	\$ <u> 0</u>	<u> (1,815)</u>	\$ <u> 1,815</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(1,815)	
Net change in Accounts Receivable			<u> 1,815</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Go Student Library Fund-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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
State & Local Grants	\$ _____	\$ _____	\$ <u>2,924</u>	\$ <u>2,924</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>2,924</u>	<u>2,924</u>
EXPENDITURES:				
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>2,924</u>	<u>(2,924)</u>
Cash Balance Beginning of Year	_____	_____	_____	_____
Cash Balance End of Year	\$ <u>_____</u>	\$ <u>_____</u>	<u>2,924</u>	\$ <u>(2,924)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			2,924	
Net change in Accounts Payable			<u>(2,924)</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 2010 Go Bonds Student Library Fund- 27106
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
Miscellaneous	\$ <u>11,205</u>	\$ <u>11,205</u>	\$ <u>2,075</u>	\$ <u>(9,130)</u>
Total Revenues	<u>11,205</u>	<u>11,205</u>	<u>2,075</u>	<u>(9,130)</u>
EXPENDITURES:				
Support Services-Instruction	<u>11,205</u>	<u>11,205</u>	<u>7,009</u>	<u>4,196</u>
Total Expenditures	<u>11,205</u>	<u>11,205</u>	<u>7,009</u>	<u>4,196</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(4,934)</u>	<u>4,934</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(4,934)</u></u>	<u><u>4,934</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(4,934)	
Net change in Accounts Payable			<u>4,934</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - PREK Initiative -27149
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
REVENUES:				
State & Local Grants	\$ _____	\$ <u>94,212</u>	\$ <u>34,666</u>	\$ <u>(59,546)</u>
Total Revenues	<u>0</u>	<u>94,212</u>	<u>34,666</u>	<u>(59,546)</u>
EXPENDITURES:				
Instruction		79,025	72,485	6,540
Support Services-General Administration		3,187	2,602	585
Student Transportation		<u>12,000</u>	<u>4,282</u>	<u>7,718</u>
Total Expenditures	<u>0</u>	<u>94,212</u>	<u>79,369</u>	<u>14,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(44,703)</u>	<u>44,703</u>
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>(44,703)</u>	<u>\$ 44,703</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(44,703)	
Net change in Accounts Receivable			<u>44,703</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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Breakfast In Elementary-27155
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
State & Local Grants		5,394		(5,394)
Total Revenues	\$ 0	\$ 5,394	\$ 0	\$ (5,394)
EXPENDITURES:				
Food Services Operations		5,394	2,091	3,303
Total Expenditures	0	5,394	2,091	3,303
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,091)	2,091
Cash Balance End of Year	\$ 0	\$ 0	(2,091)	\$ 2,091
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(2,091)	
Net change in Accounts Receivable			2,091	
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
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Special Revenue Fund - Nm Highway Dept - 28120
 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)	Variances Positive (Negative) Final to Actual
	Original	Final		
REVENUES:				
State & Local Grants	\$ _____	\$ <u>31,616</u>	\$ <u>18,528</u>	\$ <u>(13,088)</u>
Total Revenues	<u>0</u>	<u>31,616</u>	<u>18,528</u>	<u>(13,088)</u>
EXPENDITURES:				
Capital Outlay	_____	<u>31,616</u>	<u>29,591</u>	<u>2,025</u>
Total Expenditures	<u>0</u>	<u>31,616</u>	<u>29,591</u>	<u>2,025</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(11,063)</u>	<u>11,063</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(11,063)</u></u>	<u><u>11,063</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(11,063)	
Net change in Accounts Receivable			<u>11,063</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Capital Projects Fund - Bond Building-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual	Variances
	<u>Original</u>	<u>Final</u>	(Budgetary	Positive
			Basis)	(Negative)
				<u>Final to Actual</u>
REVENUES:				
Interest Income	\$ <u>819</u>	\$ <u>819</u>	\$ <u>63,127</u>	\$ <u>62,308</u>
Total Revenues	<u>819</u>	<u>819</u>	<u>63,127</u>	<u>62,308</u>
EXPENDITURES:				
Capital Outlay	<u>591,669</u>	<u>591,669</u>	<u>85,867</u>	<u>505,802</u>
Total Expenditures	<u>591,669</u>	<u>591,669</u>	<u>85,867</u>	<u>505,802</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(590,850)</u>	<u>(590,850)</u>	<u>(22,740)</u>	<u>(568,110)</u>
Cash Balance Beginning of Year	<u>2,086,716</u>	<u>2,086,716</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>1,495,866</u></u>	\$ <u><u>1,495,866</u></u>	<u>(22,740)</u>	\$ <u><u>(568,110)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			(22,740)	
Net change in Other Income			<u>(5,030)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(27,770)</u></u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Capital Project Fund - Capital Improvements Sb-9 - 31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
REVENUES:				
Property taxes	\$ 560,507	\$ 591,018	\$ 568,857	\$ (22,161)
Interest Income	<u>967</u>	<u>967</u>	<u>539</u>	<u>(428)</u>
Total Revenues	<u>561,474</u>	<u>591,985</u>	<u>569,396</u>	<u>(22,589)</u>
EXPENDITURES:				
Support Services-General Administration	5,668	5,668	5,689	(21)
Capital Outlay	<u>845,036</u>	<u>875,547</u>	<u>424,844</u>	<u>450,703</u>
Total Expenditures	<u>850,704</u>	<u>881,215</u>	<u>430,533</u>	<u>450,682</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(289,230)</u>	<u>(289,230)</u>	<u>138,863</u>	<u>(428,093)</u>
Cash Balance Beginning of Year	423,302	423,302	0	0
Cash Balance End of Year	<u>\$ 134,072</u>	<u>\$ 134,072</u>	<u>138,863</u>	<u>\$ (428,093)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			138,863	
Net change in Taxes Receivable			2,523	
Net change in Accounts Payable			(1,586)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 139,800</u>	

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES 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

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
REVENUES:				
Property taxes	\$ 1,022,953	\$ 1,022,953	\$ 1,624,015	\$ 601,062
Interest Income	<u>1,258</u>	<u>1,258</u>	<u>532,105</u>	<u>530,847</u>
Total Revenues	<u>1,024,211</u>	<u>1,024,211</u>	<u>2,156,120</u>	<u>1,131,909</u>
EXPENDITURES:				
Support Services-General Administration	10,230	10,230	16,240	(6,010)
Principal	800,000	1,325,000	1,325,000	
Interest	222,953	228,331	174,927	53,404
Total Expenditures	<u>1,033,183</u>	<u>1,563,561</u>	<u>1,516,167</u>	<u>47,394</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,972)</u>	<u>(539,350)</u>	<u>639,953</u>	<u>(1,179,303)</u>
Cash Balance Beginning of Year	17,477	17,477		
Cash Balance End of Year	<u>\$ 8,505</u>	<u>\$ (521,873)</u>	<u>639,953</u>	<u>\$ (1,179,303)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			639,953	
Net change in Accounts Receivable			50,800	
Net change in Accounts Payable			<u>(49,026)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 641,727</u>	

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

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Agency Funds - Activity
 Schedule Of Changes In Assets And Liabilities
 For the Year Ended June 30, 2012

	<u>Balances</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2012</u>
ASSETS				
Cash of deposit	\$ 184,231	\$ 252,662	\$ 273,110	\$ 163,783
Total assets	<u>\$ 184,231</u>	<u>\$ 252,662</u>	<u>\$ 273,110</u>	<u>\$ 163,783</u>
LIABILITIES				
Deposit held for others				
T or C Elementary	\$ 29,540	\$ 36,207	\$ 28,680	\$ 37,067
SEC Elementary	13,023	2,740	8,819	6,944
Arrey Elementary	8,396	1,606	5,061	4,941
T or C Middle School	28,877	19,694	27,339	21,232
Hot Springs High School	96,191	171,523	178,174	89,540
Alternative School	2,628	6,949	8,213	1,364
Central Office	<u>5,576</u>	<u>13,943</u>	<u>16,824</u>	<u>2,695</u>
Total liabilities	<u>\$ 184,231</u>	<u>\$ 252,662</u>	<u>\$ 273,110</u>	<u>\$ 163,783</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2012

	<u>11000</u> <u>Operational</u>	<u>13000</u> <u>Transportation</u>	<u>14000</u> <u>Instructional</u> <u>Material Fund</u>	<u>21000</u> <u>Food Services</u>
Cash balance, June 30, 2011	2,249,631	30	2,593	82,306
Cash Receipts,				
2011-2012	10,072,309	748,765	58,638	618,755
Interfund receivables/payables	(400,000)			
Other adjustments	(4,598)			(50)
Cash Disbursements, 2011- 2012	<u>(10,251,069)</u>	<u>(748,765)</u>	<u>(49,014)</u>	<u>(587,537)</u>
Cash balance, June 30, 2012	<u>\$ 1,666,273</u>	<u>\$ 30</u>	<u>\$ 12,217</u>	<u>\$ 113,474</u>
		<u>24000</u> <u>Federal</u> <u>Flowthrough</u> <u>Fund</u>	<u>25000</u> <u>Federal Direct</u> <u>Fund</u>	<u>26000</u> <u>Local Grants</u> <u>Fund</u>
Cash balance, June 30, 2011	8,044	(252,492)	(50,997)	211,301
Cash Receipts,				
2011-2012	37,513	1,084,149	216,790	110,088
Interfund receivables/payables		400,000		
Other adjustments				
Cash Disbursements, 2011- 2012	<u>(34,764)</u>	<u>(1,437,099)</u>	<u>(150,020)</u>	<u>(105,590)</u>
Cash balance, June 30, 2012	<u>\$ 10,793</u>	<u>\$ (205,442)</u>	<u>\$ 15,773</u>	<u>\$ 215,799</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2012

	27000 State Flowthrough Fund	28000 State Direct Fund	31100 Bond Building Fund	31700 Capital Improvement SB9
Cash balance, June 30, 2011	12,597	13,088	987,388	535,098
Cash Receipts,				
2011-2012	40,481	18,528	63,127	569,395
Interfund receivables/payables				
Other adjustments			(5,030)	
Cash Disbursements, 2011- 2012	<u>(91,100)</u>	<u>(29,591)</u>	<u>(85,867)</u>	<u>(430,532)</u>
Cash balance, June 30, 2012	<u>\$ (38,022)</u>	<u>\$ 2,025</u>	<u>\$ 959,618</u>	<u>\$ 673,961</u>

	41000 Debt Service Fund	Grand Total All Funds
Cash balance, June 30, 2011	1,654,060	5,452,647
Cash Receipts,		
2011-2012	2,156,119	15,794,657
Interfund receivables/payables		
Other adjustments	(1,531)	(11,209)
Cash Disbursements, 2011- 2012	<u>(1,516,167)</u>	<u>(15,517,115)</u>
Cash balance, June 30, 2012	<u>\$ 2,292,481</u>	<u>\$ 5,718,980</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Schedule of Budgetary Basis to GAAP Basis Reconciliations - Non Major Funds Classification
 For the Year Ended June 30, 2012

	<u>21000 - FOOD SERVICES</u>	<u>22000 - ATHLETICS</u>	<u>24103 - MIGRANT CHILDREN EDUCATION</u>
Revenues per modified accrual basis	679,874	37,513	13,651
Receivables			
Deferred revenue/Due from grantor	<u>(22,853)</u>	<u></u>	<u>3,155</u>
Revenues per budgetary basis	<u>\$ 657,021</u>	<u>\$ 37,513</u>	<u>\$ 16,806</u>
Expenditures per modified accrual basis	627,153	40,220	13,651
Inventory changes	(692)		
Accounts payable	<u>(788)</u>	<u>(5,456)</u>	<u></u>
Expenditures per budgetary basis	<u>\$ 625,673</u>	<u>\$ 34,764</u>	<u>\$ 13,651</u>
	<u>24109- PRESCHOOL IDEA-B</u>	<u>24113- EDUCATION OF HOMELESS</u>	<u>24118 - FRESH FRUIT/ VEGETABLE PROGRAM</u>
Revenues per modified accrual basis	5,946	4,641	20,939
Receivables			
Deferred revenue/Due from grantor	<u>3,153</u>	<u>(1,121)</u>	<u>81</u>
Revenues per budgetary basis	<u>\$ 9,099</u>	<u>\$ 3,520</u>	<u>\$ 21,020</u>
Expenditures per modified accrual basis	5,946	4,641	20,939
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	<u>\$ 5,946</u>	<u>\$ 4,641</u>	<u>\$ 20,939</u>
	<u>24133- ENHANCING EDUCATION THROUGH TECHNOLOGY</u>	<u>24153 - ENGLISH LANGUAGE ACQUISITION</u>	<u>24154- TEACHER/PRINC IPAL TRAINING & RECRUITING</u>
Revenues per modified accrual basis		35,085	73,916
Receivables			
Deferred revenue/Due from grantor		<u>(10,071)</u>	<u>(27,285)</u>
Revenues per budgetary basis	<u>\$ 0</u>	<u>\$ 25,014</u>	<u>\$ 46,631</u>
Expenditures per modified accrual basis		35,085	73,916
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	<u>\$ 0</u>	<u>\$ 35,085</u>	<u>\$ 73,916</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Schedule of Budgetary Basis to GAAP Basis Reconciliations - Non Major Funds Classification
 For the Year Ended June 30, 2012

	<u>24160 - RURAL & LOW-INCOME SCHOOLS</u>	<u>24162 - TITLE I SCHOOL IMPROVEMENT</u>	<u>24174 - CARL D PERKINS SECONDARY- CURRENT</u>
Revenues per modified accrual basis	34,137	17,099	22,814
Receivables			
Deferred revenue/Due from grantor	<u>(27,682)</u>	<u></u>	<u>(7,189)</u>
Revenues per budgetary basis	<u>\$ 6,455</u>	<u>\$ 17,099</u>	<u>\$ 15,625</u>
Expenditures per modified accrual basis	34,137	17,099	22,814
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	<u>\$ 34,137</u>	<u>\$ 17,099</u>	<u>\$ 22,814</u>
	<u>24201 - TITLE I- STIMULUS</u>	<u>24206 - ARRA - ENTITLEMENT</u>	<u>25153 - TITLE XIX MEDICAID 3/21 YEARS</u>
Revenues per modified accrual basis	390	7,987	80,380
Receivables			
Deferred revenue/Due from grantor	<u>37,059</u>	<u>92,898</u>	<u>(1,496)</u>
Revenues per budgetary basis	<u>\$ 37,449</u>	<u>\$ 100,885</u>	<u>\$ 78,884</u>
Expenditures per modified accrual basis	390	7,987	80,380
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	<u>\$ 390</u>	<u>\$ 7,987</u>	<u>\$ 80,380</u>
	<u>25200 - ROTC</u>	<u>25255 - EDUCATION JOB FUND</u>	<u>27103 - DUAL CREDIT INSTR. MATERIALS</u>
Revenues per modified accrual basis	65,552	4,088	2,630
Receivables			
Deferred revenue/Due from grantor	<u>(719)</u>	<u>137,965</u>	<u></u>
Revenues per budgetary basis	<u>\$ 64,833</u>	<u>\$ 142,053</u>	<u>\$ 2,630</u>
Expenditures per modified accrual basis	65,552	4,088	2,630
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	<u>\$ 65,552</u>	<u>\$ 4,088</u>	<u>\$ 2,630</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Schedule of Budgetary Basis to GAAP Basis Reconciliations - Non Major Funds Classification
 For the Year Ended June 30, 2012

	27105 - GO STUDENT LIBRARY FUND- SB333	27106 - 2010 GO BOND STUDENT LIBRARY	27117 - TECHNOLOGY FOR EDUCATION PED
Revenues per modified accrual basis	2,924	2,075	
Receivables			
Deferred revenue/Due from grantor		2,924	(6,997)
Revenues per budgetary basis	\$ 2,924	\$ 4,999	\$ (6,997)
Expenditures per modified accrual basis	2,924	2,075	
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	\$ 2,924	\$ 2,075	\$ 0
			27154 - BEGINNING TEACHER MENTORING PROGRAM
	27138- INCENTIVES FOR SCHOOL	27149 - PREK INITIATIVE	
Revenues per modified accrual basis		79,369	
Receivables			
Deferred revenue/Due from grantor	(3,294)	4,946	
Revenues per budgetary basis	\$ (3,294)	\$ 84,315	\$ 0
Expenditures per modified accrual basis		79,369	
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	\$ 0	\$ 79,369	\$ 0
	27155- BREAKFAST FOR ELEMENTARY STUDENTS	27166 - K-3 PLUS	27169 - PRE K INITIATIVE
Revenues per modified accrual basis	2,091		
Receivables			
Deferred revenue/Due from grantor	(2,091)		
Revenues per budgetary basis	\$	\$ 0	\$ 0
Expenditures per modified accrual basis	2,091		
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	\$ 2,091	\$ 0	\$ 0

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Schedule of Budgetary Basis to GAAP Basis Reconciliations - Non Major Funds Classification
 For the Year Ended June 30, 2012

	<u>27170 - GO BOND LIBRARY</u>	<u>27549 LIBRARY BOOK FUND</u>	<u>28120 - NM HIGHWAY DEPT (ROAD)</u>
Revenues per modified accrual basis			29,591
Receivables			
Deferred revenue/Due from grantor			<u>(11,063)</u>
Revenues per budgetary basis	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,528</u>
Expenditures per modified accrual basis			29,591
Inventory changes			
Accounts payable			
Expenditures per budgetary basis	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,591</u>

	<u>31700 - CAPITAL IMPROVEMENTS SB-9</u>	<u>Totals</u>
Revenues per modified accrual basis	571,919	1,794,611
Receivables	(936)	(936)
Deferred revenue/Due from grantor		<u>160,320</u>
Revenues per budgetary basis	<u>\$ 570,983</u>	<u>\$ 1,953,995</u>
Expenditures per modified accrual basis	<u>432,119</u>	1,604,797
Inventory changes		(692)
Accounts payable		<u>(6,244)</u>
Expenditures per budgetary basis	<u>\$ 432,119</u>	<u>\$ 1,597,861</u>

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

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2012

<u>Federal Agency/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>State ID Number</u>	<u>Total Federal Awards Expended</u>
U. S. Department of Agriculture			
Pass-Through Program from:			
New Mexico Public Education Department			
National School Lunch Program	10.555	21000	\$ 588,887
Fruits & Vegetables	10.582	24118	<u>20,939</u>
Total Child Nutrition Cluster			<u>609,826</u>
Pass-Through Program from:			
New Mexico Human Service Department			
U.S.D.A. Commodities	10.550	21000	38,266
Pass-Through Program from:			
Department of Finance and Administration:			
Forest Reserve	10.665	11000	<u>230,789</u>
Total U. S. Department of Agriculture			<u>878,881</u>
U. S. Department of Education			
Pass-Through Program from:			
New Mexico Public Education Department			
Title I - IASA	84.010	24101	824,421
Title I - Migrant	84.011	24103	13,651
Title I - Stimulus	84.389	24201	390
Title I - School Improvement	84.196	24162	17,099
Title I - Homeless	84.196	24113	4,641
Entitlement IDEA B	84.027	24106	376,075
Entitlement IDEA - Stimulus	84.391	24206	7,987
Preschool IDEA B	84.173	24109	5,946
Rural Low Income Grant	84.358	24160	34,137
English Language Acquisition	84.365	24153	35,085
Improving Teacher Quality	84.367	24154	73,916
Carl D Perkins - Secondary	84.048	24174	22,814
Total Special Education Cluster			1,416,162
Direct Program			
Education Jobs Fund - Stimulus	84.410	25255	<u>4,088</u>
Total U. S. Department of Education			<u>1,420,250</u>
U. S. Department of Defense			
Direct Program			
R.O.T.C	12.000	25200	<u>65,552</u>
Total Federal Assistance			<u>\$ 2,364,683</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Truth or Consequences Municipal Schools and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 - Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2012 was \$38,266 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

Note 3 -Subrecipients

The District did not provide any federal awards to subrecipients during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,364,683
Total expenditures funded by other sources	<u>13,286,412</u>
Total expenditures on financial statements	<u>\$ 15,651,095</u>

**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 Truth or Consequences 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 and the major debt service fund and the combining individual funds and related budgetary comparison presented as supplemental information of the Truth or Consequences Municipal Schools (District) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 07, 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 District 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 12-8 and 12-9 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 12-1, 12-2, 12-3, 12-4, 12-5, 12-6 to be significant deficiencies.

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 questioned costs as items 06-02, 10-03, 10-04, 10-07, 11-01, 11-03, 12-7, 12-10 and 12-11.

The District's responses to the findings identified in our audit as described in the accompanying schedule of findings and questioned cost. We did not audit the District's 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.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
November 07, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Truth or Consequences Municipal Schools

Mr. Balderas and Members of the Board

Compliance

We have audited Truth or Consequences Municipal Schools (District) compliance with the types of compliance requirements described in the *OMB A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 12-12.

Internal Control Over Compliance

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

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

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

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

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

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
November 07, 2012

STATE OF NEW MEXICO
 TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | Yes |

4. Identification of major programs:

CFDA Numbers	Name of Federal Program of Cluster
84.027	Entitlement IDEA B - 84.027
84.010	Title I - IASA

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2012

- 06-02 Imprest Bank Account - Repeated
- 10-03 Payment Mode Before Contract Received - Repeated
- 10-04 Contract Prepared After Professional Services Were Obtained - Repeated
- 10-07 Bids/ Quotes Not Obtained - Repeated
- 11-01 Outstanding Balances - Repeated
- 11-02 Request for Reimbursements Denied - Resolved
- 11-03 Bus Contracts - Repeated
- 11-04 Late Audit Report - Repeated

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements

06-02 Non Compliance - Imprest Bank Account

Criteria or Specific Requirement: All imprest accounts should be reconciled correctly on a monthly basis, resulting in zero balances.

Condition: The imprest bank account (payroll clearing) has been reconciled. However, the adjustments have not been investigated and resolved in a timely manner.

Cause: Management is not ensuring that all the adjustments to the reconciliation are investigated and corrected in a timely manner.

Effect: Differences due to NMPSIA or ERB changes are not investigated timely, resulting in a balance in the payroll clearing account.

Auditors' Recommendations: Management needs to ensure that this account is reconciled timely to ensure any adjustments are found, investigated and adjusted in a timely manner.

Management Response: The current Business Manager has been informed that the accounts were reconciled and that the amount in question is related to the requirement to pay as billed to the New Mexico Public School Insurance Authority and any differences that remain will be transferred to the appropriate fund. The current management was unable to find where this occurred and the reconciliation of this account has not been maintained in a timely manner.

10-03 Non Compliance - Payment Made Before Contract Received

Criteria or Specific Requirement: According to PED regulations all goods/services should be requested, a contract signed and a purchase order issued before the goods/services are received and/or paid for.

Condition: The School District paid \$81,000 for training without a signed contract.

Cause: Management did not ensure a signed contract was obtained.

Effect: The School District is not following PED regulations.

Auditors' Recommendations: The School District should implement procedures to ensure that goods/services are not received before a contract is signed.

Management Response: New Mexico procurement Code, Section 13-1-28 through Section 13-1-199 NMSA 1978 is being taught and implemented to ensure a system of quality, integrity and ethical behaviour is adhered to.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

10-04 Non Compliance - Contract Prepared After Professional Services Were Obtained

Criteria or Specific Requirement: All services (requiring a contract) should have a contract prepared and signed by both parties before services begin.

Condition: A School Resource Officer contract in the amount of \$25,000 was created and signed after the services had been performed.

Cause: The proper procedures for obtaining a signed contract before services start were not followed.

Effect: The Vendor may dispute the amount of the agreed upon payment. Thus, creating a legal dispute with the School District.

Auditors' Recommendations: The School District should ensure that all contracts are signed and agreed upon before services start.

Management Response: New Mexico procurement Code, Section 13-1-28 through Section 13-1-199 NMSA 1978 is being taught and implemented to ensure a system of quality, integrity and ethical behaviour is adhered to.

10-07 Non Compliance - Bids/Quotes Not Obtained

Criteria or Specific Requirement: When the School District is obtaining goods/services over \$5,000 3 quotes or bids should be obtained.

Condition: The School District purchased \$81,000 for training without obtaining 3 quotes or bids.

Cause: Management is not ensuring that 3 bids or quotes are received for goods/services obtained over \$5,000.

Effect: The School District is not following its own procurement policies.

Auditors' Recommendations: Management should ensure that its procurement policies are followed when goods/services are purchased.

Management Response: New Mexico procurement Code, Section 13-1-28 through Section 13-1-199 NMSA 1978 is being taught and implemented to ensure a system of quality, integrity and ethical behaviour is adhered to.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

11-01 Non Compliance - Outstanding Balances

Criteria or Specific Requirement: Each grant has a specified time period in which they are to be utilized.

Condition: The School District has cash balances in its Special Revenue Funds totaling \$11,738 that represent grants that have not been utilized for several years.

Cause: Management has not taken measures to ensure that all grants received are utilized in a timely manner according to the grant restrictions.

Effect: Monies are available to be used for special projects and the School District has not used them.

Auditors' Recommendations: Management should approve budgets and spend the assets received according to the grant agreements.

Management Response: Because cash/fund balances were not maintained through the accounting software and because of the lack of explanation on adjustments, the amount of \$11,738 was not determined by current staff, an explanation was requested from the prior auditor to no avail. Outstanding balances still exist and need to be addressed.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

11-03 Non Compliance - Bus Contracts

Criteria or Specific Requirement: NMSA 22-16-3 states that Owner/Operator contracts shall "include recognition of fuel costs, operation and maintenance costs and employee salary and benefit costs.

Condition: The School District entered into a Fleet Contract with two Owner/Operators. These contracts were entered into January, 2011. These contracts were not prepared correctly because:

- 1) They are not Fleet owners,
- 2) The new contracts were not approved and signed by the contractor and the School District,
- 3) This contract violates State Statute 22-16-3 that states Owner/Operators will be paid "employee salary and benefits".

Cause The Transportation Division of the Public Education Department incorrectly approved the change from an Owner/Operator contract to a Fleet Contract.

Effect The School District is not following NMSA 22- 16-3.

Auditors' Recommendations: The School District should change the two Fleet Contracts back to Owner/Operator contracts to ensure NMSA 22-16-3 is followed.

Management Response: Contracts will be verified for proper verbiage prior to forwarding to the Public Education Department and in case of error; the District will contact the Public Education Department for correction.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

12-1 Significant Deficiency - Violation of Certified School Ancillary Contract - Unreasonable pay

Criteria or Specific Requirement: Pay hikes, increment, temporary employments and reimbursement of expenditures should be based on established policies, procedures and performance of the employees. Sufficient, competent and relevant evidential supporting documentation should be maintained.

Condition: During our field work, we made inquiries of the management, reviewed and analyzed the documentation. We noted that an employee with 7-8 years of work experience was eligible to receive \$9,000 of SLP increment as defined in the School Ancillary contract agreement. However the employee was incorrectly paid \$11,000.

Cause: The District management did not implement the policies to oversee the management's abusive activities. The members of the board failed to exercise the supervisory duties judiciously and in timely manner.

Effect: The contract was violated. If not corrected, this may cause other employees to be over/underpaid.

Auditors' Recommendations: The District should implement policies to screen all the employees for key management positions, have mechanism in place to monitor and hold people accountable for their actions.

Management Response: Because prior year management made this agreement, lawyers will be consulted and compensation may be adjusted as appropriate. Management has implemented and will continue to improve a system of procedures and policy to check proper placement on the salary schedule and the appropriateness of any increase in compensation.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

12-2 Significant Deficiency - Cash Disbursements - Cash Controls

Criteria or Specific Requirement: Section 6.20.2.17 of NMAC requires 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.

Condition: During our testwork we noted the following: we noted that out of 103 items of disbursements tested from various programs, 2 of the disbursements were not supported properly and 2 of the travel expenses were not supported with authorization and travel reports. Field POs are generated. The District built unauthorized line of credit with vendors and purchase orders are issued after the purchase.

Cause: The District was unable to provide any supporting documentation for the listed cash disbursement transactions. The management did not follow proper internal control procedures.

Effect: The District may have lost valuable resources and violated cost principles as well. The lack of enforcing the District's policies and procedures regarding supporting documentation of disbursements may result in cash being fraudulently taken.

Auditors' Recommendations: The District must enforce policies and procedures to maintain proper supporting documentation and train personnel to adhere to the policies and procedures.

Management Response: New Mexico procurement code Section 13-1-28 through Section 13-1-199 NMSA 1978 is being taught and implemented to ensure that proper supporting documentation and authorizations accompany any payment of funds. Field POs have already been removed for said violation and proper procurement policy has been implemented and is being followed for these field purchases.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

12-3 Significant Deficiency - Internal Control Deficiencies - Payroll

Criteria or Specific Requirement: NMAC 6.20.2.18 states that School Districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our testwork of payroll we noted the following:

- One out of twenty-five employees tested had an application documentation missing from their personnel file.
- One out of twenty-five employees tested had an employment contract missing from their personnel file.
- Four out of twenty-five employee files selected for testwork did not have an updated W-4 in their personnel file.
- There were no direct deposit vouchers or copies of check to verify payments made to the employees.
- Employee deductions appeared unauthorized for six out of 25 employees tested due to missing W-4s.
- One out of twenty-five employees did not have an authorization form for direct deposit in their personnel file.

Cause: The District did not accurately maintain payroll records or employee deductions.

Effect: The District is not in compliance with NMAC 6.20.2.18

Auditors' Recommendations: We recommend that the school review all personnel files and ensure that all required documentation is filed.

Management Response: All personnel files will be reviewed for proper documentation and compliance with NMAC 6.20.2.18. Employee responsibilities are being revisited in order to know who does what when and changes will be made as necessary. Procedures for in and out processing are being established.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

12-4 Significant Deficiency - Preparation of Financial Statements

Criteria or Specific Requirement: Statement of Accounting Standards (SAS) 115, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and School's financial statements.

Condition: The individuals responsible for the accounting functions for the District did not prepare the District's financial statements. The Financial statements were prepared by the auditor.

Cause: The District's previous business manager was no longer associated with the District and the current business manager joined the District during the end of the fiscal year ending June 30, 2012. The District management did not have an authorized personnel to be answerable to prepare the financial statements for the year ending June 30, 2012.

Effect: Individuals, without the aid of its auditors, are unable to accurately prepare the District's financial statements in accordance with the accounting standards with the regard to apply generally accepted accounting principles.

Auditors' Recommendations: We recommend the District's accounting management receive training relating to the preparation for the District's financial statements in accordance with generally accepted accounting principles. This would give the accounting management responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: The Schools Financial Statements have never been prepared by the District. Per State Auditor's Rule (2.2.2, NMAC), the district maintains adequate accounting records in order to prepare financial statements. The new Business office management will pursue compliance with GASB 34 and GASB 54 reporting requirements.

STATE OF NEW MEXICO
TRUTH OR CONSEQUENCES MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II. Audit Findings in Relation to Financial Statements - Continued

12-5 Significant Deficiency - Disaster Recovery Plan

Criteria or Specific Requirement: State of New Mexico Statewide Guideline S-GUIDE-002.003 (per NMSA 1978 Section 15-1C-1 et. Seq. and NMAC 1.12.6 and NMAC 1.12.2) establishes an Enterprise Security Policy for the protection of IT assets and resources including data and information. The District should design and implement policies and procedures relating to a disaster recovery plan.

Condition: The District has not formalized and implemented a disaster recovery plan to insure vital data is not compromised in the event of a disaster.

Cause: The District has implemented many policies and procedures within it's operations, however, a disaster recovery plan has not been given a high priority.

Effect: The formalized and implementation of a disaster recovery plan is essential to insure the safeguard of the District assets. In addition poor accounting practices, the lack of a proper disaster recovery plan may result in the District's inability to regenerate financial and school records, create difficulties in attempts with regards to insurance recoveries or create liabilities due to a lack of information with regards to payments to vendors and/or employees.

Auditors' Recommendations: A formal disaster recovery plan should be formalized and implemented by the District. The plan must include an accurate listing of District assets and incorporate the District's financial records.

Management Response: The Technology management has safe, off-site backup for vital financial and student data. Financial data is being backed up by Tyler Technologies and student data by Pearson. A formal recovery plan will be designed and implemented. Personnel are being sent to training for proper asset management.

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Section II. Audit Findings in Relation to Financial Statements - Continued

12-6 Significant Deficiency - Inadequate Review and Documentation of Manual Journal Entries

Criteria or Specific Requirement: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures document administrative and accounting controls. Good accounting practice requires that manual adjusting entries be authorized and reviewed by someone other than the person initiating the adjusting entry.

Condition: During the 2012 fiscal year, the District did not have procedures in place for authorization and review of manual journal entries.

Cause: The District was unaware of the significance of internal controls needed for manual journal entries.

Effect: Without proper review processes, there is a greater risk that improper adjustments could be made. Improper adjustments result in balances being materially misstated. Also, the risk of fraudulent acts increases without proper review.

Auditors' Recommendations: We recommend that all journal entries require a second person's review prior to posting to the accounting records and that the District maintain adequate documentation to support all accounting entries.

Management Response: Manual journal entries will only be made when posting errors are encountered or when deemed necessary and with prior approval by the Business manager. Different levels of control are being explored in order to comply.

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Section II. Audit Findings in Relation to Financial Statements - Continued

12-7 Non Compliance - Non Compliance with Procurement Code

Criteria or Specific Requirement: The New Mexico Procurement Code, Section 13-1-125, NMSA 1978, was amended effective July 1, 2005 to increase the maximum value of small purchases from \$10,000 to \$20,000 in Subsection A; increase the maximum value of professional services from \$20,000 to \$30,000 in Subsection B; and increase the maximum value of purchases at best obtainable prices from \$1,500 to \$5,000 in Subsection C. Therefore, purchases over \$1,500 up to \$5,000 should have three oral quotes documented, and purchases over \$5,000 and up to \$20,000 should have three written quotes documented.

Condition: During our test work regarding compliance with the New Mexico Procurement Code, we noted that the District made purchases over \$5,000, but failed to maintain sufficient records to support the assertion that management complied with the requirement level of documentation for procurement. During our testwork we were not able to determine which vendor was awarded the contract, the total actual contract price, and other supporting information.

Cause: The District did not have policies and procedures requiring the proper maintenance of procurement documentation.

Effect: The District did not comply with the Procurement Code requirement to document three quotes for purchases over \$5,000. The District may have paid more than necessary in order to obtain the goods and services that the District needed.

Auditors' Recommendations: We recommend that the District adopt procurement policies and procedures that are in compliance with the New Mexico Procurement Code and update them as the laws are amended.

Management Response: The State of New Mexico's Manual of Procedures, PSAB Supplement 13 – Purchasing, has been distributed to all schools and departments in the District, training on proper procedures has taken place and is continually being reinforced for compliance.

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Section II. Audit Findings in Relation to Financial Statements - Continued

12-8 Material Weakness - Entity Wide Control Deficiency

Criteria or Specific Requirement: The (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring.

Condition: Many of the reportable conditions and instances of noncompliance identified during the current years' financial audit result from a breakdown of established control procedures. Historically, the District did not investigate situations on a proactive basis. As of June 30, 2012, the School had not performed an overall risk assessment. During our process of understanding the entity and its environment, we noted instances where elements of the framework of Committee of Sponsoring Organizations (COSO) were nonexistent or deficient. We noted that the risk assessment element and monitoring element were not documented or sufficiently designed.

Cause: Lack of resources and competing priorities have prevented the completion of a risk assessment. The accounting system was not utilized to its potential and paper journals were still being used. Fund balances were not entered and rolled from previous years. Management was not aware the COSO internal control framework plays a key role in providing reasonable assurance regarding the achievement of effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

Effect: Without all of the five elements of the COSO framework present, the District is exposing itself to the risk of misappropriation of assets and does not have set processes in place to maximize the resources of the District.

Auditors' Recommendations: We recommend that the District incorporate the five elements of the COSO internal control integrated framework in their organization. In particular, there must be a documented risk assessment process in place, there should be a mechanism in place to document the monitoring of the internal controls in place and the control environment must promote the highest ethical standards and efficient and effective path towards achieving the District's goals. We recommend that internal controls be addressed at both the entity level and activity level. We also recommend that key management personnel attend a training class on internal control.

Management Response: Management will be organizing to seek out and review risk assessment tools that address the COSO framework.

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Section II. Audit Findings in Relation to Financial Statements - Continued

12-9 Material Weakness: Cash Reconciliation Report Prepared Does not agree with Books of Account

Criteria or Specific Requirement: School Districts need to comply with PED Regulation 6.20.2 NMAC, Governing Budgeting and Accounting for New Mexico Public Schools and School Districts and the Manual of procedures, primary Supplement 7, Cash controls.

Condition: Reconciled cash balance per books prepared by the District did not agree with cash reconciliation reports prepared and submitted to State Public Education Department (PED).

Cause: The accounting system was not utilized to its potential and paper journals were still being used. Fund balances were not entered and rolled from previous years. Bank reconciliations were not done utilizing the accounting software and cleared checks back to 2006 had to be reconciled. Cash stored in vaults at school sites were not part of the financials and a stolen cash box had not been recorded.

Effect: General ledger cash balances are not reflective of actual cash available in the funds and could cause the District to spend cash that is not available.

Auditors' Recommendations: The District needs to review the investments that are recorded in the general ledger to determine their validity. The District should ensure that cash in the general ledger agrees to cash reported to the Public Education Department.

Management Response: 2011-2012 cash balances have been determined and entered into the accounting system. Investments and cash on hand are now being tracked appropriately through the accounting system. All vault cash has been returned and reissued, if necessary, in order to comply with record keeping. Bank reconciliations are being conducted through the accounting system.

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Section II. Audit Findings in Relation to Financial Statements - Continued

12-10 Non Compliance - Late Audit Report

Criteria or Specific Requirement: School District audits are required to be submitted to the State Auditor by November 15 as required by NMAC 2.2.2.9A(1) (d).

Condition: The audit report was submitted to the state auditor after the required deadline of November 15, 2011.

Cause The original audit report was initially submitted to the Office of the State Auditor (OSA) on November 15, 2012. OSA reviewed the audit report and issued a notice of rejection.

Effect : The School is not in compliance with the State Auditor rule NMAC 2.2.2.9A(1)(d) for the fiscal year ended June 30, 2012.

Auditors' Recommendations: None

Management Response: The original audit was submitted to the state auditor by the required deadline but was rejected. The District will work diligently with the auditor to ensure complete compliance.

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Section II. Audit Findings in Relation to Financial Statements - Continued

12-11 Non Compliance - Excess expenditures over budget

Condition: The District incurred expenditures more than budgeted in the following funds and functions

Governmental Funds:

Nonmajor Funds:

Title XIX Medicaid-Support Services-Students	\$ 1,496
ROTC-Instruction	1,500
Capital Improvements SB-9-Support Services-General Administration	21
Debt Service-Support Services-General Administration	<u>6,010</u>
Total	<u><u>\$ 9,027</u></u>

Criteria or Specific Requirement: Deficit budgeting is not allowed according to 6.20.2.9 NMAC. When an agency’s budgeted expenditures exceed its budgeted revenue, the agency budgets “designated cash” left over from the previous year to make up the short fall. However, “designated cash” in the current year budget cannot exceed prior year cash and receivables in the same fund.

Cause : The District did not place emphasis on compliance with budget reporting requirements.

Effect : The District has not complied with the requirement to ensure adequate cash is available for budgeted expenditures. Therefore, they could be budgeting cash that is not available and be in violation of 6.20.2.9 NMAC.

Auditors' Recommendations: We recommend that the District adhere to their policy of reviewing year end expenditures and requesting budget adjustments where necessary.

Management Response:

- Title XIX Medicaid – BAR 0055-I was presented to the June Board and submitted to PED through OBMS but was disapproved due to deadline being past. Deadlines will be adhered to.
- ROTC – BAR 0056-I was presented to the June Board and submitted to PED through OBMS but was disapproved due to deadline being past. Deadlines will be adhered to.
- Capital Improvements SB-9 – County Tax Collection Costs exceeded the amount budgeted. Due to the change in administration and time restraints, this expense in excess of budget was inadvertently overlooked. Budget adjustments will be requested in a timely manner.
- Debt Service – County Tax Collection Costs exceeded the amount budgeted. Due to the change in administration and time restraints, this expense in excess of budget was inadvertently overlooked. Budget adjustments will be requested in a timely manner.

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Section III. Audit Findings and Questioned Costs in Relation to Federal Awards

12-12 Non Compliance - Title I Certifications

Federal program information:

Funding agency: U. S. Department of Education
Title: Title I -IASA
CFDA number: 84.010

Criteria or Specific Requirement: Compliance requirements are that at least semi-annual certifications for hours or activities worked must be kept on file for all Title I employees.

Condition: Circular A-133 Compliance Supplement states that; “Schoolwide Programs - Except as noted below, a school that consolidates Federal funds with State and local funds in a schoolwide program under 20 USC 6314 is not required to maintain separate records by program (20 USC 6314). (Note: Reading First funds cannot be consolidated-see Federal Register, Notice of Authorization and Exemption of Schoolwide Programs, July 2, 2004, 69 FR 40361-40362). The school may treat consolidated schoolwide funds as a “dedicated function.” As a result, an employee who works solely on activities supported with Federal, state, or local funds consolidated in a schoolwide program may meet the semi-annual certification requirement under OMB Circular A-87, Attachment B, paragraph 8.h.(3), either by submitting semi-annual certifications for the consolidated activities or through time and attendance certifications accomplished under an LEA’s normal standards for payroll documentation”.

Questioned Costs: None.

Cause: The District was not aware about the above criteria.

Effect: The District is not in compliance with Federal Grant requirements (Circular A-133).

Auditors' Recommendations: The District should implement a policy that gathers the necessary information, at least on a semi-annual basis.

Management Response: Federal Program manager has been provided with timesheets and is requiring and following up with all who are being compensated with Title I funds. He is reviewing current policy and implementing procedures to comply with Circular A-133 Compliance Supplement.

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EXIT CONFERENCE
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Financial Statement Preparation

The financial statements presented in this report were prepared by the auditors, Harshwal & Company LLP.

Exit Conference

The contents of this report were discussed on November 15, 2012. The following individuals were in attendance.

Truth or Consequences Municipal Schools

Ms. Cathy Vickers, School Board Secretary
Dr. Craig Cummins, Interim Superintendent
Mr. Loren Cushman, Associate Superintendent
Ms. Carmen Spann, Business Manager
Ms. Barbara Pearlman, NEA Representative
Ms. Tamie Pargas, HSHS Principal
Ms. Debbie Stubblefield, Community Member/Finance Experience
Ms. Davonna Armijo, Parent

Harshwal & Company LLP

Sanwar Harshwal, Managing Partner
Deepa Adhikari, Senior Auditor