

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**



**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

(With Auditors' Report Thereon)

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**TABLE OF CONTENTS**

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents		i
Official Roster		iii
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		1
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	3
Statement of Activities	A-2	4
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	6
Reconciliation of the Balance Sheet to the Statement of Net Position		8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Operational Fund	C-1	12
Transportation Fund	C-2	13
Instructional Materials Fund	C-3	14
Statement of Fiduciary Assets and Liabilities	D-1	15
Notes to the Financial Statements		16
<b>SUPPLEMENTARY INFORMATION</b>		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	E-1	35
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	E-2	36
Special Revenue Fund Descriptions		37
Combining Balance Sheet – Nonmajor Special Revenue Funds	E-3	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	E-4	44
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Food Services Special Revenue Fund	E-5	49
Athletics Special Revenue Fund	E-6	50
Title I - IASA Special Revenue Fund	E-7	51
IDEA-B Preschool Special Revenue Fund	E-8	52
Discretionary IDEA-B Special Revenue Fund	E-9	53
IDEA-B Preschool Special Revenue Fund	E-10	54
IDEA-B Risk Pool Special Revenue Fund	E-11	55
Teacher/Principal Recruiting & Training Special Revenue Fund	E-12	56
Safe & Drug Free Schools & Community Special Revenue Fund	E-13	57
Rural & Low Income Schools Special Revenue Fund	E-14	58
Maternal/Child Health Special Revenue Fund	E-15	59
ADV Placement Incentive Program NMHU Special Revenue Fund	E-16	60
Title XIX Medicaid 3/21 Years Special Revenue Fund	E-17	61
Tucumcari Band-Aides Special Revenue Fund	E-18	62
2009 Dual Credit Instructional Materials Special Revenue Fund	E-19	63
2008 G.O. Bonds Student Library Special Revenue Fund	E-20	64
2010 G.O. Bond Student Library Fund Special Revenue Fund	E-21	65

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**OFFICIAL ROSTER**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Writing to Read Special Revenue Fund	E-22	66
Pre-K Initiative Special Revenue Fund	E-23	67
Breakfast for Elementary Students Special Revenue Fund	E-24	68
2010 G.O. Bond Instructional Materials Special Revenue Fund	E-25	69
NMFLEX Special Revenue Fund	E-26	70
Private Dir. Grants Special Revenue Fund	E-27	71
Wind Farm Projects Special Revenue Fund	E-28	72
Capital Project Fund Descriptions		73
Combining Balance Sheet – Nonmajor Capital Project Funds	F-1	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Project Funds	F-2	75
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Bond Building Capital Projects Fund	F-3	76
Special Capital Outlay Capital Projects Fund	F-4	77
Capital Improvements SB-9 Capital Projects Fund	F-5	78
Debt Service Fund	G-1	79

**SUPPORTING SCHEDULES**

Schedule of Changes in Assets and Liabilities – Agency Funds	I	80
Schedule of Deposits and Investment Accounts	II	81
Schedule of Pledged Collateral by Depository	III	82
Cash Reconciliation	IV	83

**COMPLIANCE SECTION**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		86
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**FEDERAL FINANCIAL ASSISTANCE**

Report on Internal Control for Each Major Federal Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		88
Schedule of Expenditures of Federal Awards	V	91
Schedule of Findings and Questioned Costs	VI	93

**STATE OF NEW MEXICO  
TUCUMCARI PUBLIC SCHOOLS  
FOR THE YEAR ENDED JUNE 30, 2013  
OFFICIAL ROSTER**

**BOARD OF EDUCATION**

Carlos Romero	President
Joe Barnett	Vice President
Marion Payton	Clerk
Chris Birch	Member
Leif Gray	Member

**SCHOOL OFFICIALS**

Aaron McKinney	Superintendent
Dave Johnson	Assistant Superintendent
Leola Patterson	Business Manager

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**FINANCIAL SECTION**

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## **INDEPENDENT AUDITOR'S REPORT**

Hector H. Balderas, New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Tucumcari Public Schools, Tucumcari, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general funds and major special revenue funds of Tucumcari Public Schools (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements 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 funds and the budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board (GASB), in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, 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 accordance 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, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, 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.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, introductory, and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of federal awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of federal awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management has omitted *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America requires 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.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013 on our consideration of 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* in considering the District's internal control over financial reporting and compliance.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico  
November 6, 2013

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**BASIC  
FINANCIAL STATEMENTS**

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

Exhibit A-1

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 932,986
Receivables, (Note	518,620
Inventory	24,116
Restricted cash and cash equivalents	1,067,838
Capital assets, net (Note 6)	37,018,913
Total assets	39,562,473
 <b>LIABILITIES</b>	
Accounts payable	193,637
Accrued insurance	100,212
Accrued interest	52,665
Noncurrent liabilities (Note 7)	
Due within one year	490,283
Due in more than one year	4,360,000
Total liabilities	5,196,797
 <b>DEFERRED INFLOW OF RESOURCES</b>	
Unearned revenue	1,976
 <b>NET POSITION</b>	
Net investment in capital assets	32,290,873
Restricted for	
Debt service	692,445
Capital projects	521,276
Special revenue funds	497,416
Unrestricted	361,690
Total net position	\$ 34,363,700

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
<b>Primary Government</b>		
Governmental activities		
Instruction	\$ 6,242,304	\$ 109,544
Support services		
Students	851,956	-
Instruction	176,735	-
General administration	543,673	-
School administration	517,561	-
Other support services	54,029	-
Central services	285,884	-
Operation and maintenance of plant	(277,292)	-
Student transportation	411,528	-
Food services operaitons	672,315	23,676
Community services	-	-
Depreciation	571,041	-
Interest on long-term debt	129,706	-
	<hr/>	<hr/>
Total Primary Government	<u>\$ 10,179,440</u>	<u>\$ 133,220</u>

The accompanying notes are an integral part of these financial statements

<b>Program Revenues</b>			<b>Net (Expenses)</b>
<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>		<b>Revenues and Changes in Net Position</b>
\$ 728,480	\$ -		\$ (5,404,280)
215,964	-		(635,992)
594,420	-		417,685
-	-		(543,673)
336,562	-		(180,999)
-	-		(54,029)
-	-		(285,884)
-	648,757		926,049
354,342	-		(57,186)
618,792	-		(29,847)
-	-		-
-	-		(571,041)
-	-		(129,706)
<u>\$ 2,848,560</u>	<u>\$ 648,757</u>		<u>(6,548,903)</u>

**General Revenues**

Property taxes	
Levied for general purposes	40,852
Levied for debt service	683,439
Levied for capital projects	39,172
State equalization guarantee	7,795,087
Unrestricted investment earnings	6,606
Gain (loss) on disposal of property	(15,611)
Miscellaneous	111,337
Total general revenues	<u>8,660,882</u>
Change in net position	<u>2,111,979</u>
Net position, beginning of year	32,343,681
Prior period adjustment	(91,960)
Net position, beginning of year restated	<u>32,251,721</u>
Net position, end of year	<u>\$ 34,363,700</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	General Fund			Capital Projects
	Operational 11000	Transportation 13000	Instructional Materials 14000	Bond Building 31100
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 639,043	\$ -	\$ 29,497	\$ 287,255
Accounts receivable				
Property taxes	2,362	-	-	-
Due from other governments	29,915	-	7,477	-
Due from other funds	243,100	-	-	-
Inventory	21,089	-	-	-
	<u>21,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 935,509</u>	<u>\$ -</u>	<u>\$ 36,974</u>	<u>\$ 287,255</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current liabilities				
Accounts payable	\$ 121,947	\$ 586	\$ -	\$ 50,970
Accrued insurance	100,212	-	-	-
Due to other funds	-	-	-	-
Deferred revenue - other	-	-	-	-
	<u>222,159</u>	<u>586</u>	<u>-</u>	<u>50,970</u>
Fund balances				
Nonspendable	21,089	-	-	-
Restricted	-	-	36,974	236,285
Committed	-	-	-	-
Assigned	351,808	-	-	-
Unassigned	340,453	(586)	-	-
	<u>713,350</u>	<u>(586)</u>	<u>36,974</u>	<u>236,285</u>
Total fund balances	<u>713,350</u>	<u>(586)</u>	<u>36,974</u>	<u>236,285</u>
Total liabilities and fund balances	<u>\$ 935,509</u>	<u>\$ -</u>	<u>\$ 36,974</u>	<u>\$ 287,255</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>				
<u>Capital Improve- ments SB-9 31700</u>	<u>Debt Service 41000</u>	<u>Other Governmental Funds</u>	<u>Total Primary Government</u>	
\$ 128,639	\$ 651,944	\$ 264,446	\$ 2,000,824	
11,167	40,501	-	54,030	
157,527	-	269,671	464,590	
-	-	-	243,100	
-	-	3,027	24,116	
<u>\$ 297,333</u>	<u>\$ 692,445</u>	<u>\$ 537,144</u>	<u>\$ 2,786,660</u>	
\$ 12,342	\$ -	\$ 7,792	\$ 193,637	
-	-	-	100,212	
-	-	243,100	243,100	
-	-	1,976	1,976	
<u>12,342</u>	<u>-</u>	<u>252,868</u>	<u>538,925</u>	
-	-	3,027	24,116	
284,991	692,445	185,903	1,436,598	
-	-	-	-	
-	-	-	351,808	
-	-	95,346	435,213	
<u>284,991</u>	<u>692,445</u>	<u>284,276</u>	<u>2,247,735</u>	
<u>\$ 297,333</u>	<u>\$ 692,445</u>	<u>\$ 537,144</u>	<u>\$ 2,786,660</u>	

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**

Exhibit B-1  
 (Page 2 of 2)

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2013**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - total primary government	\$	2,247,735
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		37,018,913
Other long-term assets are not available to pay for the current period expenditures and therefore, are deferred in the fund statements:		
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore, are not reported in the fund statements		
Bond issuance costs, net of accumulated amortization		0
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest		(52,665)
Accrued compensated absences		(30,283)
General obligation bonds		(4,820,000)
Net assets - total governmental activities	\$	<u><u>34,363,700</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	General fund			Bond Building 31100
	Operational 11000	Transportation 13000	Instructional Materials 14000	
<b>Revenues</b>				
Charges for services	\$ 67,823	\$ -	\$ -	\$ -
Property taxes	40,852	-	-	-
State grants	7,860,464	354,342	76,313	446,419
Federal grants	-	-	-	-
Interest	6,606	-	-	-
Miscellaneous	226,867	215	-	-
Total revenues	<u>8,202,612</u>	<u>354,557</u>	<u>76,313</u>	<u>446,419</u>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	4,950,998	-	73,214	-
Support services				
Students	437,599	-	-	-
Instruction	171,473	-	2,299	-
General administration	394,059	-	-	-
School administration	514,854	-	-	-
Central services	257,953	-	-	-
Operation and maintenance of plant	1,139,777	-	-	-
Student transportation	-	354,737	-	-
Other support services	54,029	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	871,464
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>7,920,742</u>	<u>354,737</u>	<u>75,513</u>	<u>871,464</u>
Excess (deficiency) of revenues over (under) expenditures	281,870	(180)	800	(425,045)
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Net changes in fund balances	281,870	(180)	800	(425,045)
Fund balances - beginning of year	<u>431,480</u>	<u>(406)</u>	<u>36,174</u>	<u>661,330</u>
Fund balances - end of year	<u>\$ 713,350</u>	<u>\$ (586)</u>	<u>\$ 36,974</u>	<u>\$ 236,285</u>

The accompanying notes are an integral part of these financial statements



Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 43,448	\$ 111,271
39,172	683,439	-	763,463
619,605	-	155,351	9,512,494
-	-	1,779,803	1,779,803
-	-	-	6,606
-	-	25,656	252,738
<u>658,777</u>	<u>683,439</u>	<u>2,004,258</u>	<u>12,426,375</u>
-	-	777,549	5,801,761
-	-	330,187	767,786
-	-	2,963	176,735
1,854	6,640	141,120	543,673
-	-	2,707	517,561
-	-	27,031	284,984
-	-	5,097	1,144,874
-	-	20,651	375,388
-	-	-	54,029
-	-	637,633	637,633
-	-	-	-
658,606	-	29,152	1,559,222
-	495,000	-	495,000
-	129,706	-	129,706
<u>660,460</u>	<u>631,346</u>	<u>1,974,090</u>	<u>12,488,352</u>
(1,683)	52,093	30,168	(61,977)
-	-	-	-
(1,683)	52,093	30,168	(61,977)
<u>286,674</u>	<u>640,352</u>	<u>254,108</u>	<u>2,309,712</u>
<u>\$ 284,991</u>	<u>\$ 692,445</u>	<u>\$ 284,276</u>	<u>\$ 2,247,735</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**

**TUCUMCARI PUBLIC SCHOOLS**

Exhibit B-2  
(Page 2 of 2)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total primary government	\$	(61,977)
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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 expense in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.

Depreciation expense		(1,302,229)
Capital outlays		3,003,208
Gain/loss on disposal of assets		(15,611)

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Decrease in accrued interest payable		1,237
Decrease in accrued compensated absences		(7,649)
Amortization of bond issuance costs		-
Bond issuance costs of current issue		0
Principal payments on bonds		495,000
Proceeds from bonds		-

Change in net assets governmental activities	\$	<u><u>2,111,979</u></u>
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The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**OPERATIONAL FUND (11000)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ 97,405	\$ 97,405	\$ 298,026	\$ 200,621
State sources	7,842,638	7,854,126	7,990,878	136,752
Federal sources	-	-	-	-
Interest	1,800	1,800	5,434	3,634
Total revenues	<u>7,941,843</u>	<u>7,953,331</u>	<u>8,294,338</u>	<u>341,007</u>
Expenditures				
Current				
Instruction	5,288,455	5,258,455	4,953,383	305,072
Support services				
Students	487,425	432,371	437,599	(5,228)
Instruction	180,707	179,980	171,473	8,507
General administration	399,394	409,802	393,259	16,543
School administration	489,839	526,459	514,854	11,605
Central services	267,215	269,883	257,953	11,930
Operation and maintenance of plant	1,012,636	1,311,368	1,140,360	171,008
Student transportation	-	-	-	-
Other support services	36,860	46,937	41,326	5,611
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>8,162,531</u>	<u>8,435,255</u>	<u>7,910,207</u>	<u>525,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(220,688)</u>	<u>(481,924)</u>	<u>384,131</u>	<u>866,055</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	220,688	481,924	-	(481,924)
Total other financing sources (uses)	<u>220,688</u>	<u>481,924</u>	<u>-</u>	<u>(481,924)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	384,131	<u>\$ 384,131</u>
Fund balances - beginning of year			<u>498,012</u>	
Fund balances - end of year			<u>\$ 882,143</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 384,131	
Revenue accruals			(91,726)	
Expenditure accruals			<u>(10,535)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 281,870</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**TRANSPORTATION FUND (13000)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>Revenues</b>				
Local and county sources	\$ -	215	\$ 215	\$ -
State sources	367,002	354,342	354,342	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>367,002</u>	<u>354,557</u>	<u>354,557</u>	<u>-</u>
<b>Expenditures</b>				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	367,002	354,557	354,557	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>367,002</u>	<u>354,557</u>	<u>354,557</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning of year			<u>-</u>	
Fund balances - end of year			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ -	
Revenue accruals			-	
Expenditure accruals			<u>(180)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (180)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**INSTRUCTIONAL MATERIALS FUND (14000)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	68,786	68,786	68,836	50
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>68,786</u>	<u>68,786</u>	<u>68,836</u>	<u>50</u>
Expenditures				
Current				
Instruction	68,786	104,960	73,214	31,746
Support services				
Students	-	-	-	-
Instruction	-	-	2,299	(2,299)
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>68,786</u>	<u>104,960</u>	<u>75,513</u>	<u>29,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(36,174)</u>	<u>(6,677)</u>	<u>29,497</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	36,174	-	(36,174)
Total other financing sources (uses)	<u>-</u>	<u>36,174</u>	<u>-</u>	<u>(36,174)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(6,677)	<u>\$ (6,677)</u>
Fund balances - beginning of year			<u>36,174</u>	
Fund balances - end of year			<u>\$ 29,497</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (6,677)	
Revenue accruals			7,477	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 800</u>	

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2013**

Exhibit D-1

**ASSETS**

Current assets

Cash

\$ 133,131

Total assets

\$ 133,131

**LIABILITIES**

Current liabilities

Deposits held in trust for others

\$ 133,131

Total liabilities

\$ 133,131

The accompanying notes are an integral part of these financial statements.



**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies**

The Tucumcari Public 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.

The financial statements of Tucumcari Public Schools (the "District") have been prepared in conformity with generally accepted accounting principles of 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.

*A. Reporting Entity*

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, as there are no other legally separate organizations for which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

***Deferred outflows of resources*** – a consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

***Deferred inflows of resources*** – an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

***Net position*** – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *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 accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

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. Governmental funds include:

The *General Funds* are the primary operating funds of the District, and account for all financial resources, except those required to be accounted for in other funds.

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

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, which include funds that were not required to be presented as major but were at the discretion of management:

*General Funds:*

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

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Public Schools Capital Outlay Capital Projects Fund* is used to account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

The *Capital Improvements SB-9 Fund* is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

Additionally, the government reports the following fund types:

The fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The District's fiduciary funds are used to account for the collection and payment of student activity funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The District follows 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. The District has elected to apply FASB statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I and IDEA-B funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and Public School Capital Outlay funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

*D. Assets, Liabilities and Net Position or Equity*

**Cash and Cash Equivalents:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Position or Equity (Continued)*

The District receives monthly income from a tax levy in Quay County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Quay County Treasurer in July and August 2013 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2013.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Instructional Materials:** The New Mexico Public Education Department receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of material 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, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list. The districts are allowed to carry forward unused textbook credits from year to year.

**Inventory:** Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and unearned revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No unearned revenue was recorded for unused commodity inventory as of June 30, 2013.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, infrastructure assets have not been included in the June 30, 2013 financial statements of Tucumcari Public Schools, since the District did not own infrastructure assets as of June 30, 2013. Information Technology Equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. In addition, the District recognizes capital assets additions received through the NM Public School Finance Authority within its capital asset listings and in the financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2013.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Land Improvements	5-50 years
Buildings/building improvements	5-100 years
Furniture, Fixtures and equipment	5-20 years

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Position or Equity (Continued)*

**Unearned Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as unearned revenues in the governmental fund financial statements.

**Compensated Absences:** All regular twelve month support staff employees are entitled to accumulate vacation with pay. Annual leave accumulated during the first year of employment may not be taken during their first year. Annual leave accumulated during the contract year of employment must be taken prior to June the following year. Twelve month employees with less than ten year of service with the District earn ten days annual leave per contract year. Twelve month employees with ten years or more of service with the District earn fifteen day annual leave per contract year.

Compensated sick leave is only paid to an employee upon retirement. If an employee resigns or is terminated, their accumulated leave becomes void. The amount of compensated absences is not to exceed one hundred hours. Due to the policy in place, it is not considered necessary to accrue compensated sick leave. The amounts that are paid to retiring employees are recognized in the year of retirement as a current expenditure.

Vested or accumulated vacation 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. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are expensed in the year the debt is issued. Bonds payable are reported net of the applicable bond premium or discount.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Net Position or Fund Equity:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the District’s fund balances is presented in Note 18.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

*Net investment in capital assets:* Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Position or Equity (Continued)*

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position are restricted for “debt service or capital projects.”

*Unrestricted Net Position:* All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The Government-wide Statement of Net Position reports \$34,443,028 in net position of which, \$32,281,369 represents net investment in capital assets and \$1,708,213 which is restricted by enabling legislation.

**Interfund 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 interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District’s financials include management’s estimate of the useful lives of capital assets.

*E. Revenues*

**State Equalization Guarantee:** School districts in the State of New Mexico receive 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 825, NMSA 1978) is at least equal to the school district’s program cost.

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 Director of Public School Finance. The District received \$7,795,087 in state equalization guarantee distributions during the year ended June 30, 2013.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’. The District recognized \$916,663 in tax revenues during the year ended June 30, 2013. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1<sup>st</sup> of each year to be paid in whole or in two installments by November 10<sup>th</sup> and April 10<sup>th</sup> of each year. The County collects property taxes and distributes them to the school district in the month following collection.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Position or Equity - (Continued)*

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds 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 grades K through twelve attending public school within the school district. The District received \$354,432 in transportation distributions during the year ended June 30, 2013.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts 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. Allocations received from the State for the year ended June 30, 2013 totaled \$76,313.

**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. The District received \$462,078 funds in state SB-9 matching during the year ended June 30, 2013.

**Public School Capital Outlay:** Under the provisions of Chapter 22, Article 24, a public school 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 districts 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 values 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.
6. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

*E. Revenues*

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**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*E. 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, 2013, the District received did not receive funding through these special capital outlay funds.

**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 flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

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

**NOTE 2. Stewardship, Compliance and Accountability**

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. Budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division. The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2. Stewardship, Compliance and Accountability (Continued)**

5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent 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 school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Tucumcari Public Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
11. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual function.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2013 is presented under each budgetary statement.

**NOTE 3. Cash and Cash Equivalents**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2013.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution. The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The collateral pledged is listed on Schedule II of this report. 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.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 3. Cash and Cash Equivalents (Continued)**

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

**Deposits:**

NM 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 Schools for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Wells Fargo Bank, N.A.	Citizen's Bank	Quay Schools FCU	Total
Total amounts of deposits	\$ 1,515,239	\$ 210,229	\$ 500,000	\$ 2,225,468
FDIC coverage	<u>(250,000)</u>	<u>(210,229)</u>	<u>(500,000)</u>	<u>(960,229)</u>
Total uninsured public funds	<u>\$ 1,265,239</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,265,239</u>
Collateral requirement (50% of uninsured public funds)	\$ 632,620	\$ 0	\$ 0	\$ 632,620
Pledged security	<u>(783,903)</u>	<u>0</u>	<u>0</u>	<u>(783,903)</u>
Total under (over) collateralized	<u>\$ (151,283)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (151,283)</u>

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2013, \$481,336 of the District's bank balance of \$2,225,468 was uninsured and exposed to custodial credit risk. At year end, the carrying amount of these deposits was \$2,133,955.

**Reconciliation of Cash and Cash Equivalents**

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 2,000,824
Statement of Fiduciary Net Position – cash per Exhibit D-1	<u>133,131</u>
	2,133,955
Add outstanding items and other adjustments	<u>91,513</u>
Bank balance of deposits and investments	<u>\$ 2,225,468</u>

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 4. Receivables**

Receivables as of June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Instructional Materials</u>	<u>Capital Improve SB-9</u>
Property taxes	\$ 2,362	\$ 0	\$ 11,167
Intergovernmental grants	<u>29,915</u>	<u>7,477</u>	<u>157,527</u>
Totals	<u>\$ 32,277</u>	<u>\$ 7,477</u>	<u>\$ 168,694</u>

  

	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Property taxes	\$ 40,501	\$ 0	\$ 54,030
Intergovernmental grants	<u>0</u>	<u>269,671</u>	<u>464,590</u>
Totals	<u>\$ 40,501</u>	<u>\$ 269,671</u>	<u>\$ 518,620</u>

The above receivables are deemed 100% collectible. In accordance with GASB #33, property tax receivables should be presented net of unearned revenues. The District is not able to present unearned revenue balances because Quay County is not able to provide the information needed.

**NOTE 5. Interfund Receivables, Payables, and Transfers**

For the year ended June 30, 2013, Tucumcari Public Schools made no operating transfers between funds.

Interfund balances have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances as of June 30, 2013 is as follows:

<b>Governmental Activities:</b>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
General Fund	\$ 243,100	\$ 0
Title I – IASA	0	138,122
IDEA-B Entitlement	0	62,333
<b>Nonmajor Funds:</b>		
IDEA-B Discretionary	0	2,469
IDEA-B Preschool	0	6,696
IDEA-B Risk Pool	0	137
Teacher/Principal Training & Recruiting	0	16,053
Rural & Low Income Schools	0	8,315
Breakfast for Elementary Students	0	2,034
2010 G.O. Bond Instructional Materials	<u>0</u>	<u>6,941</u>
Total Governmental Activities	<u>\$ 243,100</u>	<u>\$ 243,100</u>

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2013, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Adjustments/ <u>Transfers</u>	Balance <u>June 30, 2013</u>
<i>Assets not being depreciated:</i>					
Land	\$ 304,873	\$ 0	\$ (1)	\$ 0	\$ 304,872
Construction in Progress	<u>0</u>	<u>0</u>	<u>(0)</u>	<u>0</u>	<u>0</u>
Subtotal	<u>304,873</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>304,872</u>
<i>Assets being depreciated:</i>					
Land improvements	1,489,741	27,328	(200)	0	1,516,869
Buildings and building improvements	54,950,876	2,951,929	(869,362)	0	57,033,443
Furniture, fixtures & equipment	<u>4,327,487</u>	<u>23,951</u>	<u>(0)</u>	<u>0</u>	<u>4,351,438</u>
Subtotal	<u>60,768,104</u>	<u>3,003,208</u>	<u>(869,562)</u>	<u>0</u>	<u>62,901,750</u>
Less accumulated depreciation:					
Land improvements	(537,265)	(73,485)	80	0	(610,670)
Buildings and building improvements	(22,003,411)	(1,048,707)	853,872	(35,687)	(22,233,933)
Furniture, fixtures & equipment	<u>(3,198,756)</u>	<u>(180,037)</u>	<u>0</u>	<u>35,687</u>	<u>(3,343,106)</u>
Subtotal	<u>(25,739,432)</u>	<u>(1,302,229)</u>	<u>853,952</u>	<u>0</u>	<u>(26,187,709)</u>
Net assets being depreciated	<u>35,028,672</u>	<u>1,700,979</u>	<u>(15,610)</u>	<u>0</u>	<u>36,714,041</u>
Total net capital assets	<u>\$ 35,333,545</u>	<u>\$ 1,700,979</u>	<u>\$ (15,611)</u>	<u>\$ 0</u>	<u>\$ 37,018,913</u>

Depreciation expense for the year ended June 30, 2013 was charged to governmental activities as follows:

Instruction	\$ 553,476
Support Services- Students	84,170
Operation and Maintenance of Plant	21,820
Central Services	900
Student Transportation	36,140
Food Services Operations	34,682
Depreciation – Unallocated	<u>571,041</u>
	<u>\$ 1,302,229</u>

**NOTE 7. Long-term Debt**

During the year ended June 30, 2013 the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2013</u>	Due within <u>One Year</u>
General Obligation Bonds	\$ 5,315,000	\$ 0	\$ (495,000)	\$ 4,820,000	\$ 460,000
Compensated Absences	<u>22,634</u>	<u>7,649</u>	<u>(0)</u>	<u>30,283</u>	<u>30,283</u>
Total	<u>\$ 5,887,634</u>	<u>\$ 7,649</u>	<u>\$ (495,000)</u>	<u>\$ 4,850,283</u>	<u>\$ 490,283</u>

Interest expense paid on long-term debt totaled \$129,706 for the year ended June 30, 2013.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 7. Long-term Debt (Continued)**

The annual requirements to amortize the General Obligation Bonds as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 460,000	\$ 125,276	\$ 585,276
2015	470,000	117,311	587,311
2016	445,000	107,366	552,366
2017	405,000	96,253	501,253
2018	390,000	85,112	475,112
2019-2023	1,990,000	247,390	2,237,390
2024-2026	660,000	19,093	679,093
Totals	<u>\$ 4,820,000</u>	<u>\$ 797,801</u>	<u>\$ 5,617,801</u>

The District's general obligation bonds were issued for the purposes of creating, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds and are payable solely from general property taxes that are levied against all taxable property in District. In prior years, the debt service fund was typically used to liquidate general obligation bonds.

Interest payments are due semi-annually on August 1 and February 1. Interest rates on the bonds range from 0.50% to 5.80%. Principal payments in varying amounts are due annually on August 1, with a maturity date of August 1, 2025.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2013, compensated absences increased \$7,649 over the prior year accrual. The accrued compensated absences are paid by the general fund. See Note 1 for more details.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

**NOTE 8. Unearned Revenue**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor.

**NOTE 9. Risk Management**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance. The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 9. Risk Management (Continued)**

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2013, there have been no claims that have exceeded insurance coverage.

**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2013.

**Major Fund:**

Transportation Fund	\$	586
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- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2013:

**Major Funds:**

General Fund – Support Services Students	\$	5,228
Instructional Materials Fund – Support Services Instruction		<u>2,299</u>
Total Major Funds		<u>7,527</u>

**Nonmajor Funds:**

Coleman Foundation		1,366
Pre-K Initiative - Instruction		45,138
Pre-K Initiative – Operation & Maintenance of plant		<u>20,651</u>

<b>Total All Funds</b>	<b>\$</b>	<b><u>74,682</u></b>
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- C. Designated cash appropriations exceeded prior year available balances: The following fund exceeded designated cash appropriations for the year ended June 30, 2013.

**Major Fund:**

Capital Improvements SB-9	\$	100,000
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**Nonmajor Fund:**

Advanced Placement Incentive Program NMHU		<u>397</u>
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<b>Total All Funds</b>	<b>\$</b>	<b><u>100,397</u></b>
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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 11. Pension Plan – Educational Retirement Board**

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

*Funding Policy.*

**Member Contributions**

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

**Employer Contributions**

In fiscal year 2013, the District was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District’s contributions to ERB for the fiscal years ending June 30, 2013, 2012, and 2011, were \$634,352, \$569,419, and \$659,691, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description.* Tucumcari Public Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer’s effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) Former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.



**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (Continued)**

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$114,732, \$110,847, and \$99,588, respectively, which equal the required contributions for each year.

**NOTE 13. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Schools expects such amount, if any, to be immaterial. The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 14. Deferred Compensation Plan**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) and Section 459. The plans, available to all District employees, permit employees to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 15. Joint Powers Agreements**

Quay County Maternal Child & Community Health Council and Tucumcari Public Schools entered into an agreement with the intent of improving the health of children and families residing within the limits of Tucumcari Public School District. Both will work as collaborative partners in the provision of MCH-funded mental health counseling, health care management, and health education services to students and their families who attend Tucumcari Public Schools. Tucumcari Public Schools provides fiscal agency services for the MCH-funded mental health counseling, health case management, and health education and ongoing work of the Quay County MCCH Council. Quay County MCCH Council determines and monitors the needs of the children and families. This agreement is effective from August 15, 2006 to June 30, 2010. The State of New Mexico, Department of Health will pay Tucumcari Public Schools a total not to exceed \$600,000. Tucumcari in turn will pay all the vendor invoices from Quay County Maternal Child & Community Health Council. It is Tucumcari Public Schools responsibility for an annual financial audit. The agreement has ended, but the district provided a small amount of carry over funds in the current fiscal year.

**NOTE 16. Subsequent Accounting Standard Pronouncements**

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*, which is effective for financial statement periods beginning after June 15, 2012. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, which is effective for financial statement periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances.

In December of 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is effective for financial statements for periods beginning after December 15, 2012. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

The requirements in this statement will improve financial reporting by contributing to the GASB’s efforts to codify all sources of GAAP for state and local governments so that they derive from a single source.

No significant pronouncements were issued or became effect for fiscal years subsequent to the year ending June 30, 2013.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 17. Governmental Fund Balance**

**Fund Balance:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

*Nonspendable:* Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted:* Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned:* Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Details relating to the fund balance classifications is displayed below:

	General Fund			
	Operational 11000	Transportation 13000	Instructional Materials 14000	
<b>Fund Balances:</b>				
Nonspendable				
Inventory	\$ 21,089	\$ -	\$ -	
Restricted				
Instructional materials	-	-	36,974	
Committed				
Assigned	351,808	-	-	
Unassigned	340,453	(586)	-	
<b>Total fund balances</b>	<b>\$ 713,350</b>	<b>\$ (586)</b>	<b>\$ 36,974</b>	
	Capital Projects Fund			
	Bond Building 31100	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds
<b>Fund Balances:</b>				
Nonspendable				
Inventory	\$ -	\$ -	\$ -	3,027
Restricted				
Capital projects	236,285	284,991	-	-
Debt service	-	-	692,445	-
Food services	-	-	-	27,112
Support services	-	-	-	158,793
Instructional materials	-	-	-	-
Committed				
Support Services	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	95,344
<b>Total fund balances</b>	<b>\$ 236,285</b>	<b>\$ 284,991</b>	<b>\$ 692,445</b>	<b>\$ 284,276</b>

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

Exhibit E-1

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	\$ 264,446	\$ -	\$ 264,446
Accounts receivable			
Taxes	-	-	-
Due from other governments	269,671	-	269,671
Interfund receivables	-	-	-
Inventory	3,027	-	3,027
	<u>537,144</u>	<u>-</u>	<u>537,144</u>
Total assets	<u>\$ 537,144</u>	<u>\$ -</u>	<u>\$ 537,144</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Current liabilities			
Accounts payable	\$ 7,792	\$ -	\$ 7,792
Interfund payables	243,100	-	243,100
Deferred revenue - other	1,976	-	1,976
Total liabilities	<u>252,868</u>	<u>-</u>	<u>252,868</u>
Fund balances			
Nonspendable	3,027	-	3,027
Restricted for			
General Fund	-	-	-
Special revenue	101,282	-	101,282
Capital projects	-	-	-
Debt service	-	-	-
Assigned	189,932	-	189,932
Unassigned	(9,965)	-	(9,965)
Total fund balance	<u>284,276</u>	<u>-</u>	<u>284,276</u>
Total liabilities and fund balance	<u>\$ 537,144</u>	<u>\$ -</u>	<u>\$ 537,144</u>

The accompanying notes are an integral part of these financial statements

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## STATE OF NEW MEXICO

Exhibit E-2

## TUCUMCARI PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDING JUNE 30, 2013

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
Revenues			
Charges for services	\$ 43,448	\$ -	\$ 43,448
Property taxes	-	-	-
State grants	126,199	29,152	155,351
Federal grants	1,779,803	-	1,779,803
Miscellaneous	25,656	-	25,656
Interest	-	-	-
Total revenues	<u>1,975,106</u>	<u>29,152</u>	<u>2,004,258</u>
Expenditures			
Current			
Instruction	777,549	-	777,549
Support services			
Students	330,187	-	330,187
Instruction	2,963	-	2,963
General administration	141,120	-	141,120
School administration	2,707	-	2,707
Central services	27,031	-	27,031
Operation and maintenance of plant	5,097	-	5,097
Student transportation	20,651	-	20,651
Other support services	-	-	-
Food services operations	637,633	-	637,633
Community services	-	-	-
Capital outlay	-	29,152	29,152
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,944,938</u>	<u>29,152</u>	<u>1,974,090</u>
Excess (deficiency) of revenues over (under) expenditures	30,168	-	30,168
Other financing sources (uses):			
Operating transfers	-	-	-
Net changes in fund balances	30,168	-	30,168
Fund balances - beginning of year	<u>254,108</u>	<u>-</u>	<u>254,108</u>
Fund balances - end of year	<u>\$ 284,276</u>	<u>\$ -</u>	<u>\$ 284,276</u>

The accompanying notes are an integral part of these financial statements

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**SPECIAL REVENUE FUNDS**

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for federal, state, and local funded grants. Grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in Special Revenue Funds include:

**Food Services (21000)** – To account for the cost of operating a student food program and is financed with federal grants and fees paid by program users.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Title I (24101)** – Provides supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criterion that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**IDEA-B Entitlement (24106)** – This fund is used 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 Individuals with Disabilities Education Act, Part B, Section 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.

**IDEA-B Discretionary (24107)** – The fund accounts for a program funded by a federal grant to assist the District in providing a free appropriate public education to all children with disabilities; authorized by Individuals with Disabilities Education Act (IDEA), Part B, Sections 611, as amended, 20 U.S.C. 1411.

**IDEA-B Preschool (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**IDEA-B Risk Pool (24120)** – Funding for students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district.

**Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

**Safe & Drug Free Schools & Community (24157)** – Establishes a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**Rural and Low Income Schools (24160)** – To account for a grant with the purpose of providing financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools; authorized by Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

**Maternal/Child Health (25110)** – To improve the health of mothers and children consistent with the applicable health status goals and national health objectives established by the Secretary of the U.S. Department of Health and Human Services.

**Adv Placement Incentive Program NMHU (25135)** – To increase access to advance placement classes and tests for low-income students and to cover part or all of the cost of test fees for low-income students enrolled in advanced placement courses. CFDA #84.330

**Title XIX Medicaid 3/21 Years (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.

**Tucumcari Band-Aides (26206)** – to account for funds received in support of the music program at Tucumcari High School.

## **SPECIAL REVENUE FUNDS**

**2009 Dual Credit Instructional Materials (27103)** - To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

**2010 G.O. Bond Student Library Fund (SB1) (27106)** – Funds used to purchase library books and library supplies for all school sites.

**Writing to Read (27111)** – Fund accounts for the Writing to Read Literacy program.

**Pre-K Initiative (27149)** – Funding provides high quality Pre-K services that align to NM Pre-K standards to underserved 4-year-olds in the District. To expand early childhood educational capacity so that all families of 4-year-olds in the district who want to enroll their child in a high quality Pre-K program can do regardless of income or ethnicity.

**Breakfast for Elementary Students (27155)** – Funds are used to provide breakfast at the elementary level through the Breakfast after the Bell program.

**2010 G.O. Bond Instructional Materials- (27171)** – Funds are used to account for Top Growth Money for Tucumcari Mid School award.

**NMFLEX (28194)** – Funds used to support rural communities in preserving access to primary and emergency health care services.

**Private Dir Grants (29102)** – This fund accounts for various private, direct grants received by the school district.

**Wind Farm Projects (29134)** – Funds received by the district as a Payment in Lieu of Taxes from wind farms within Quay County.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	Food Services 21000	Athletics 22000	Title I - IASA 24101	Entitlement IDEA-B 24106
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 104,475	\$ 5,376	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	139,172	63,789
Due from other funds	-	-	-	-
Inventory	3,027	-	-	-
	<u>107,502</u>	<u>5,376</u>	<u>139,172</u>	<u>63,789</u>
Total assets	<u>\$ 107,502</u>	<u>\$ 5,376</u>	<u>\$ 139,172</u>	<u>\$ 63,789</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current liabilities				
Accounts payable	\$ 286	\$ -	\$ -	\$ 1,456
Accrued insurance	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	138,122	62,333
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	1,050	-
Total liabilities	<u>286</u>	<u>-</u>	<u>139,172</u>	<u>63,789</u>
Fund balances				
Nonspendable	3,027	-	-	-
Restricted	104,189	5,376	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>107,216</u>	<u>5,376</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 107,502</u>	<u>\$ 5,376</u>	<u>\$ 139,172</u>	<u>\$ 63,789</u>

The accompanying notes are an integral part of these financial statements.



Discretionary IDEA-B 24107	IDEA-B Preschool 24109	IDEA-B Risk Pool 24120	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Rural & Low Income Schools 24160
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,469	6,713	137	16,962	-	8,315
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,469</u>	<u>\$ 6,713</u>	<u>\$ 137</u>	<u>\$ 16,962</u>	<u>\$ -</u>	<u>\$ 8,315</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,469	6,696	137	16,053	-	8,315
-	-	-	-	-	-
-	17	-	909	-	-
<u>2,469</u>	<u>6,713</u>	<u>137</u>	<u>16,962</u>	<u>-</u>	<u>8,315</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,469</u>	<u>\$ 6,713</u>	<u>\$ 137</u>	<u>\$ 16,962</u>	<u>\$ -</u>	<u>\$ 8,315</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	Maternal/Child Health 25110	Adv Placement Incentive Program NMHU 25135	Title XIX Medicaid 3 / 21 Years 25153	Tucumcari Band-Aides 26206
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 1,954	\$ -	\$ 84,507	\$ 20,114
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	16,888	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
	<u>1,954</u>	<u>-</u>	<u>101,395</u>	<u>20,114</u>
Total assets	<u>\$ 1,954</u>	<u>\$ -</u>	<u>\$ 101,395</u>	<u>\$ 20,114</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued insurance	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	1,954	-	-	20,114
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	101,395	-
Total fund balances	<u>1,954</u>	<u>-</u>	<u>101,395</u>	<u>20,114</u>
Total liabilities and fund balances	<u>\$ 1,954</u>	<u>\$ -</u>	<u>\$ 101,395</u>	<u>\$ 20,114</u>

The accompanying notes are an integral part of these financial statements.

2009 Dual Credit Instructional Materials 27103	2010 G. O. Bond Student Library Fund (SB1) 27106	Writing to Read 27111	Pre-K Initiative 27149	Breakfast for Elementary Students 27155	2010 G.O. Bond Instructional Materials 27171
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	2,034	6,942
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,034</u>	<u>\$ 6,942</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,050
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,034	6,941
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,034	12,991
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(6,049)
-	-	-	-	-	(6,049)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,034</u>	<u>\$ 6,942</u>

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

Exhibit E-3  
(Page 3 of 3)

	NMFLEX 28194	Private Dir Grants 29102	Wind Farm Projects 29134	Total Special Revenue Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 24,785	\$ 19,635	\$ 3,600	\$ 264,446
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	6,250	-	-	269,671
Due from other funds	-	-	-	-
Inventory	-	-	-	3,027
	<u>31,035</u>	<u>19,635</u>	<u>3,600</u>	<u>284,276</u>
Total assets	<u>\$ 31,035</u>	<u>\$ 19,635</u>	<u>\$ 3,600</u>	<u>\$ 537,144</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 7,792
Accrued insurance	-	-	-	-
Accrued compensated absences	-	-	-	-
Due to other funds	-	-	-	243,100
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	1,976
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,868</u>
Fund balances				
Nonspendable	-	-	-	3,027
Restricted	31,035	19,635	3,600	185,903
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	95,346
Total fund balances	<u>31,035</u>	<u>19,635</u>	<u>3,600</u>	<u>284,276</u>
Total liabilities and fund balances	<u>\$ 31,035</u>	<u>\$ 19,635</u>	<u>\$ 3,600</u>	<u>\$ 537,144</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Food Services 21000	Athletics 22000	Title I - IASA 24101	Entitlement IDEA-B 24106
<b>Revenues</b>				
Charges for services	\$ 23,676	\$ 19,772	\$ -	\$ -
Property taxes	-	-	-	-
State grants	600,446	-	528,456	331,833
Federal grants	-	-	-	-
Interest	-	107	-	-
Miscellaneous	624,122	19,879	528,456	331,833
Total revenues				
<b>Expenditures</b>				
Current	-	22,397	427,984	112,298
Instruction				
Support services	-	-	-	194,050
Students	-	-	-	-
Instruction	-	-	100,472	20,388
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	5,097
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	619,287	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	619,287	22,397	528,456	331,833
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	4,835	(2,518)	-	-
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Net changes in fund balances	4,835	(2,518)	-	-
Fund balances - beginning of year	102,381	7,894	-	-
Fund balances - end of year	\$ 107,216	\$ 5,376	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Discretionary IDEA-B 24107	IDEA-B Preschool 24109	IDEA-B Risk Pool 24120	Teacher/Principal Training & Recruiting 24154	Safe & Drug Fee Schools & Community 24157	Rural & Low Income Schools 24160
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,729	23,382	1,548	86,084	-	27,584
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,729</u>	<u>23,382</u>	<u>1,548</u>	<u>86,084</u>	<u>-</u>	<u>27,584</u>
1,920	22,351	1,548	67,721	-	26,018
2,809	-	-	-	-	-
-	-	-	-	-	-
-	1,293	-	16,989	-	1,566
-	-	-	1,374	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,729</u>	<u>23,644</u>	<u>1,548</u>	<u>86,084</u>	<u>-</u>	<u>27,584</u>
-	(262)	-	-	-	-
-	-	-	-	-	-
-	(262)	-	-	-	-
-	262	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Maternal/Child Health 25110	Adv Placement Incentive Program NMHU 25135	Title XIX Medicaid 3 / 21 Years 25153	Tucumcari Band-Aides 26206
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	3,287	1,431	174,310	-
Federal grants	-	-	-	-
Interest	-	-	-	-
Miscellaneous	3,287	1,431	174,310	-
Total revenues				
<b>Expenditures</b>				
Current	-	1,431	19,024	4,414
Instruction				
Support services	-	-	126,477	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,333	-	-	-
School administration	-	-	27,031	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	1,333	1,431	172,532	4,414
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	1,954	-	1,778	(4,414)
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Net changes in fund balances	1,954	-	1,778	(4,414)
Fund balances - beginning of year	-	-	99,617	24,528
Fund balances - end of year	\$ 1,954	\$ -	\$ 101,395	\$ 20,114

The accompanying notes are an integral part of these financial statements.



2009 Dual Credit Instructional Materials 27103	2010 G. O. Bond Student Library Fund (SB1) 27106	Writing to Read 27111	Pre-K Initiative 27149	Breakfast for Elementary Students 27155	2010 G.O. Bond Instructional Materials 27171
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,196	6,935	7,705	65,788	18,346	6,942
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,196</u>	<u>6,935</u>	<u>7,705</u>	<u>65,788</u>	<u>18,346</u>	<u>6,942</u>
2,296	-	7,705	45,137	-	12,991
-	-	-	-	-	-
-	2,963	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	20,651	-	-
-	-	-	-	-	-
-	-	-	-	18,346	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,296</u>	<u>2,963</u>	<u>7,705</u>	<u>65,788</u>	<u>18,346</u>	<u>12,991</u>
(100)					
-	3,972	-	-	-	(6,049)
-	-	-	-	-	-
<u>(100)</u>	<u>3,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,049)</u>
100	(3,972)	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,049)</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**

(Page 3 of 3)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	NMFLEX 28194	Private Dir Grants 29102	Wind Farm Projects 29134	Total Special Revenue Funds
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ 43,448
Property taxes	15,000	-	-	122,912
State grants	-	-	-	1,783,090
Federal grants	-	-	-	-
Interest	-	21,949	3,600	25,656
Miscellaneous	15,000	21,949	3,600	1,975,106
<b>Total revenues</b>				
<b>Expenditures</b>				
Current	-	2,314	-	777,549
Instruction				
Support services	6,851	-	-	330,187
Students	-	-	-	2,963
Instruction	412	-	-	141,120
General administration	-	-	-	2,707
School administration	-	-	-	27,031
Central services	-	-	-	5,097
Operation and maintenance of plant	-	-	-	20,651
Student transportation	-	-	-	-
Other support services	-	-	-	637,633
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	7,263	2,314	-	1,944,938
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	7,737	19,635	3,600	30,168
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Net changes in fund balances	7,737	19,635	3,600	30,168
Fund balances - beginning of year	23,298	-	-	254,108
Fund balances - end of year	\$ 31,035	\$ 19,635	\$ 3,600	\$ 284,276

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**FOOD SERVICES SPECIAL REVENUE FUND (21000)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ 20,556	\$ 20,556	\$ 23,676	\$ 3,120
State sources	-	-	-	-
Federal sources	525,000	525,000	551,832	26,832
Interest	-	-	-	-
Total revenues	<u>545,556</u>	<u>545,556</u>	<u>575,508</u>	<u>29,952</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	569,556	645,090	570,568	74,522
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>569,556</u>	<u>645,090</u>	<u>570,568</u>	<u>74,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,000)</u>	<u>(99,534)</u>	<u>4,940</u>	<u>104,474</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	24,000	99,534	-	(99,534)
Total other financing sources (uses)	<u>24,000</u>	<u>99,534</u>	<u>-</u>	<u>(99,534)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	4,940	<u>\$ 4,940</u>
Fund balances - beginning of year			<u>99,535</u>	
Fund balances - end of year			<u>\$ 104,475</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 4,940	
Revenue accruals			48,614	
Expenditure accruals			<u>(48,719)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 4,835</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**ATHLETICS SPECIAL REVENUE FUND (22000)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ 22,000	\$ 22,000	\$ 19,772	\$ (2,228)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	107	107
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>19,879</u>	<u>(2,121)</u>
Expenditures				
Current				
Instruction	22,000	29,893	22,397	7,496
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>22,000</u>	<u>29,893</u>	<u>22,397</u>	<u>7,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(7,893)</u>	<u>(2,518)</u>	<u>5,375</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	7,893	-	(7,893)
Total other financing sources (uses)	<u>-</u>	<u>7,893</u>	<u>-</u>	<u>(7,893)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(2,518)	<u>\$ (2,518)</u>
Fund balances - beginning of year			<u>7,894</u>	
Fund balances - end of year			<u>\$ 5,376</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (2,518)	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,518)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**TITLE I - IASA SPECIAL REVENUE FUND (24101)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	516,517	571,822	537,189	(34,633)
Interest	-	-	-	-
Total revenues	<u>516,517</u>	<u>571,822</u>	<u>537,189</u>	<u>(34,633)</u>
Expenditures				
Current				
Instruction	427,871	463,908	427,984	35,924
Support services				
Students	-	-	-	-
Instruction	-	3,300	-	3,300
General administration	88,646	104,613	100,472	4,141
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>516,517</u>	<u>571,821</u>	<u>528,456</u>	<u>43,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>8,733</u>	<u>8,732</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(1)	-	1
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	8,733	<u>\$ 8,733</u>
Fund balances - beginning of year			<u>(146,855)</u>	
Fund balances - end of year			<u>\$ (138,122)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 8,733	
Revenue accruals			(8,733)	
Expenditure accruals			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**ENTITLEMENT IDEA-B SPECIAL REVENUE FUND (24106)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	288,983	392,808	339,545	(53,263)
Interest	-	-	-	-
Total revenues	<u>288,983</u>	<u>392,808</u>	<u>339,545</u>	<u>(53,263)</u>
Expenditures				
Current				
Instruction	65,608	125,285	111,876	13,409
Support services				
Students	111,724	233,495	194,050	39,445
Instruction	-	-	-	-
General administration	104,523	26,699	20,388	6,311
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	7,128	7,328	5,097	2,231
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>288,983</u>	<u>392,807</u>	<u>331,411</u>	<u>61,396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>8,134</u>	<u>8,133</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(1)	-	1
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	8,134	<u>\$ 8,134</u>
Fund balances - beginning of year			<u>(70,467)</u>	
Fund balances - end of year			<u>\$ (62,333)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 8,134	
Revenue accruals			(7,712)	
Expenditure accruals			<u>(422)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**DISCRETIONARY IDEA-B SPECIAL REVENUE FUND (24107)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	5,000	2,260	(2,740)
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>5,000</u>	<u>2,260</u>	<u>(2,740)</u>
Expenditures				
Current				
Instruction	-	2,024	1,920	104
Support services				
Students	-	2,975	2,809	166
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>4,999</u>	<u>4,729</u>	<u>270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>(2,469)</u>	<u>(2,470)</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(1)	-	1
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(2,469)</u>	<u>\$ (2,469)</u>
Fund balances - beginning of year			<u>-</u>	
Fund balances - end of year			<u>\$ (2,469)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (2,469)	
Revenue accruals			2,469	
Expenditure accruals			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-10

## TUCUMCARI PUBLIC SCHOOLS

## IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	20,007	24,181	55,313	31,132
Interest	-	-	-	-
Total revenues	<u>20,007</u>	<u>24,181</u>	<u>55,313</u>	<u>31,132</u>
Expenditures				
Current				
Instruction	18,802	22,887	22,351	536
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,205	1,294	1,293	1
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>20,007</u>	<u>24,181</u>	<u>23,644</u>	<u>537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>31,669</u>	<u>31,669</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>31,669</u>	<u>\$ 31,669</u>
Fund balances - beginning of year			<u>(38,365)</u>	
Fund balances - end of year			<u>\$ (6,696)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 31,669	
Revenue accruals			(31,931)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (262)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Exhibit E-11

## TUCUMCARI PUBLIC SCHOOLS

## IDEA-B RISK POOL SPECIAL REVENUE FUND (24120)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	1,548	1,771	223
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>1,548</u>	<u>1,771</u>	<u>223</u>
Expenditures				
Current				
Instruction	-	1,548	1,548	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>1,548</u>	<u>1,548</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>223</u>	<u>223</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>223</u>	<u>\$ 223</u>
Fund balances - beginning of year			<u>(360)</u>	
Fund balances - end of year			<u>\$ (137)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 223	
Revenue accruals			(223)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-12

## TUCUMCARI PUBLIC SCHOOLS

## TEACHER/PRINCIPAL TRAINING &amp; RECRUITING SPECIAL REVENUE FUND (24154)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	96,865	229,078	81,402	(147,676)
Interest	-	-	-	-
Total revenues	<u>96,865</u>	<u>229,078</u>	<u>81,402</u>	<u>(147,676)</u>
Expenditures				
Current				
Instruction	75,961	108,576	67,721	40,855
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	19,089	23,597	16,989	6,608
School administration	1,815	1,595	1,374	221
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>96,865</u>	<u>133,768</u>	<u>86,084</u>	<u>47,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>95,310</u>	<u>(4,682)</u>	<u>(99,992)</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(95,310)	-	95,310
Total other financing sources (uses)	<u>-</u>	<u>(95,310)</u>	<u>-</u>	<u>95,310</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(4,682)</u>	<u>\$ (4,682)</u>
Fund balances - beginning of year			<u>(11,371)</u>	
Fund balances - end of year			<u>\$ (16,053)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (4,682)	
Revenue accruals			4,682	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit E-13

TUCUMCARI PUBLIC SCHOOLS

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND (24157)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	95,310	-	(95,310)
Interest	-	-	-	-
Total revenues	-	95,310	-	(95,310)
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	95,310	-	(95,310)
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(95,310)	-	95,310
Total other financing sources (uses)	-	(95,310)	-	95,310
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning of year			-	
Fund balances - end of year			\$ -	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ -	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-14

## TUCUMCARI PUBLIC SCHOOLS

## RURAL &amp; LOW INCOME SCHOOLS SPECIAL REVENUE FUND (24160)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	17,367	50,448	29,931	(20,517)
Interest	-	-	-	-
Total revenues	<u>17,367</u>	<u>50,448</u>	<u>29,931</u>	<u>(20,517)</u>
Expenditures				
Current				
Instruction	16,321	26,668	26,018	650
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,046	1,729	1,566	163
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>17,367</u>	<u>28,397</u>	<u>27,584</u>	<u>813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>22,051</u>	<u>2,347</u>	<u>(19,704)</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(22,051)	-	22,051
Total other financing sources (uses)	<u>-</u>	<u>(22,051)</u>	<u>-</u>	<u>22,051</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,347</u>	<u>\$ 2,347</u>
Fund balances - beginning of year			<u>(10,662)</u>	
Fund balances - end of year			<u>\$ (8,315)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 2,347	
Revenue accruals			(2,347)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-15

## TUCUMCARI PUBLIC SCHOOLS

MATERNAL/CHILD HEALTH SPECIAL REVENUE FUND (25110)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Instruction	1,800	1,469	-	1,469
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	1,818	1,818	1,333	485
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>3,618</u>	<u>3,287</u>	<u>1,333</u>	<u>1,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,618)</u>	<u>(3,287)</u>	<u>(1,333)</u>	<u>1,954</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	3,618	3,287	-	(3,287)
Total other financing sources (uses)	<u>3,618</u>	<u>3,287</u>	<u>-</u>	<u>(3,287)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(1,333)	<u>\$ (1,333)</u>
Fund balances - beginning of year			<u>3,287</u>	
Fund balances - end of year			<u>\$ 1,954</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (1,333)	
Revenue accruals			3,287	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,954</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit E-16

TUCUMCARI PUBLIC SCHOOLS

ADV PLACEMENT INCENTIVE PROGRAM NMHU SPECIAL REVENUE FUND (25135)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current				
Instruction	1,828	1,828	1,431	397
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,828	1,828	1,431	397
Excess (deficiency) of revenues over (under) expenditures	(1,828)	(1,828)	(1,431)	397
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	1,828	1,828	-	(1,828)
Total other financing sources (uses)	1,828	1,828	-	(1,828)
Net change in fund balances	\$ -	\$ -	(1,431)	\$ (1,431)
Fund balances - beginning of year			1,431	
Fund balances - end of year			\$ -	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (1,431)	
Revenue accruals			1,431	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-17

## TUCUMCARI PUBLIC SCHOOLS

## TITLE XIX MEDICAID 3 / 21 YEARS SPECIAL REVENUE FUND (25153)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	125,000	125,000	172,007	47,007
Interest	-	-	-	-
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>172,007</u>	<u>47,007</u>
Expenditures				
Current				
Instruction	24,740	31,578	19,024	12,554
Support services				
Students	125,510	151,322	126,477	24,845
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	27,132	27,132	27,031	101
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>177,382</u>	<u>210,032</u>	<u>172,532</u>	<u>37,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,382)</u>	<u>(85,032)</u>	<u>(525)</u>	<u>84,507</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	52,382	85,032	-	(85,032)
Total other financing sources (uses)	<u>52,382</u>	<u>85,032</u>	<u>-</u>	<u>(85,032)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(525)</u>	<u>\$ (525)</u>
Fund balances - beginning of year			<u>85,032</u>	
Fund balances - end of year			<u>\$ 84,507</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (525)	
Revenue accruals			2,303	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,778</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-18

## TUCUMCARI PUBLIC SCHOOLS

TUCUMCARI BAND-AIDES SPECIAL REVENUE FUND (26206)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	24,527	4,414	20,113
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>24,527</u>	<u>4,414</u>	<u>20,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(24,527)</u>	<u>(4,414)</u>	<u>20,113</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	24,527	-	(24,527)
Total other financing sources (uses)	<u>-</u>	<u>24,527</u>	<u>-</u>	<u>(24,527)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(4,414)	<u>\$ (4,414)</u>
Fund balances - beginning of year			<u>24,528</u>	
Fund balances - end of year			<u>\$ 20,114</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (4,414)	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (4,414)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Exhibit E-19

## TUCUMCARI PUBLIC SCHOOLS

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	2,296	2,196	(100)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	2,296	2,196	(100)
Expenditures				
Current				
Instruction	-	2,296	2,296	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	2,296	2,296	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(100)	(100)
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	(100)	\$ (100)
Fund balances - beginning of year			100	
Fund balances - end of year			\$ -	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (100)	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (100)	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-20

## TUCUMCARI PUBLIC SCHOOLS

2008 G.O. BONDS STUDENT LIBRARY SPECIAL REVENUE FUND (27105)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	3,927	3,927
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>3,927</u>	<u>3,927</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,927</u>	<u>3,927</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>3,927</u>	<u>\$ 3,927</u>
Fund balances - beginning of year			<u>(3,927)</u>	
Fund balances - end of year			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 3,927	
Revenue accruals			(3,927)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-21

## TUCUMCARI PUBLIC SCHOOLS

2010 G.O. BOND STUDENT LIBRARY FUND (SB1) SPECIAL REVENUE FUND (27106)

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	2,963	2,963	6,935	3,972
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>2,963</u>	<u>2,963</u>	<u>6,935</u>	<u>3,972</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	2,963	2,963	2,963	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,963</u>	<u>2,963</u>	<u>2,963</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,972</u>	<u>3,972</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>3,972</u>	<u>\$ 3,972</u>
Fund balances - beginning of year			<u>(3,972)</u>	
Fund balances - end of year			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 3,972	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 3,972</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit E-22

TUCUMCARI PUBLIC SCHOOLS

WRITING TO READ SPECIAL REVENUE FUND (27111)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	7,705	7,705	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	7,705	7,705	-
Expenditures				
Current				
Instruction	-	7,705	7,705	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	7,705	7,705	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning of year			-	
Fund balances - end of year			\$ -	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ -	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit E-23

TUCUMCARI PUBLIC SCHOOLS

PRE-K INITIATIVE SPECIAL REVENUE FUND (27149)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	65,788	65,788
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>65,788</u>	<u>65,788</u>
Expenditures				
Current				
Instruction	-	(1)	45,137	(45,138)
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	20,651	(20,651)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>(1)</u>	<u>65,788</u>	<u>(65,789)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(1)	-	1
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning of year			<u>-</u>	
Fund balances - end of year			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ -	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-24

## TUCUMCARI PUBLIC SCHOOLS

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND (27155)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	24,297	20,675	(3,622)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>24,297</u>	<u>20,675</u>	<u>(3,622)</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	24,297	18,346	5,951
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>24,297</u>	<u>18,346</u>	<u>5,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,329</u>	<u>2,329</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,329</u>	<u>\$ 2,329</u>
Fund balances - beginning of year			<u>(4,363)</u>	
Fund balances - end of year			<u>\$ (2,034)</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 2,329	
Revenue accruals			(2,329)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-25

## TUCUMCARI PUBLIC SCHOOLS (27171)

## 2010 G.O. BOND INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	13,464	-	(13,464)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	13,464	-	(13,464)
Expenditures				
Current				
Instruction	-	13,464	6,941	6,523
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	13,464	6,941	6,523
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,941)	(6,941)
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	(6,941)	\$ (6,941)
Fund balances - beginning of year			-	
Fund balances - end of year			\$ (6,941)	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ (6,941)	
Revenue accruals			6,942	
Expenditure accruals			(6,050)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (6,049)	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-26

## TUCUMCARI PUBLIC SCHOOLS

## NMFLEX SPECIAL REVENUE FUND (28194)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	12,500	12,500
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>12,500</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	14,097	18,645	6,851	11,794
Instruction	-	-	-	-
General administration	903	903	412	491
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>15,000</u>	<u>19,548</u>	<u>7,263</u>	<u>12,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,000)</u>	<u>(19,548)</u>	<u>5,237</u>	<u>24,785</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	15,000	19,548	-	(19,548)
Total other financing sources (uses)	<u>15,000</u>	<u>19,548</u>	<u>-</u>	<u>(19,548)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,237</u>	<u>\$ 5,237</u>
Fund balances - beginning of year			<u>19,548</u>	
Fund balances - end of year			<u>\$ 24,785</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 5,237	
Revenue accruals			2,500	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 7,737</u>	

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO

Exhibit E-27

TUCUMCARI PUBLIC SCHOOLS

PRIVATE DIR GRANTS SPECIAL REVENUE FUND (29102)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	2,314	21,949	\$ 19,635
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	-	2,314	21,949	19,635
Expenditures				
Current				
Instruction	-	2,314	2,314	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	2,314	2,314	-
Excess (deficiency) of revenues over (under) expenditures	-	-	19,635	19,635
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	19,635	\$ 19,635
Fund balances - beginning of year			-	
Fund balances - end of year			\$ 19,635	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 19,635	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 19,635	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit E-28

## TUCUMCARI PUBLIC SCHOOLS

## WIND FARM PROJECTS SPECIAL REVENUE FUND (29134)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	3,600	3,600	3,600	-
Total revenues	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	3,600	3,600	-	3,600
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>3,600</u>	<u>3,600</u>	<u>-</u>	<u>3,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>(3,600)</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>3,600</u>	<u>\$ 3,600</u>
Fund balances - beginning of year			<u>-</u>	
Fund balances - end of year			<u>\$ 3,600</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 3,600	
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 3,600</u>	

The accompanying notes are an integral part of these financial statements

**CAPITAL PROJECTS FUNDS**

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## **CAPITAL PROJECT FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

**Special Capital Outlay - State (31400)** – Fund accounts for special appropriations received from the State of New Mexico under Chapter 4, Laws of 1996, for the purpose of upgrading school facilities.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**JUNE 30, 2013**

Exhibit F-1

	Special Capital Outlay - State 31400
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ -
Accounts receivable	
Taxes	-
Due from other governments	-
Due from other funds	-
Inventory	-
	-
Total assets	\$ -
<b>LIABILITIES AND FUND BALANCES</b>	
Current liabilities	
Accounts payable	\$ -
Accrued insurance	-
Accrued compensated absences	-
Due to other funds	-
Deferred revenue - property taxes	-
Deferred revenue - other	-
Total liabilities	-
Fund balances	
Nonspendable	-
Restricted for	
General fund	-
Special revenue	-
Capital projects	-
Debt service	-
Assigned	-
Unassigned	-
Total fund balances	-
Total liabilities and fund balances	\$ -

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit F-2

TUCUMCARI PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECT FUNDS

FOR THE YEAR ENDING JUNE 30, 2013

	Special Capital Outlay - State 31400
	<u>31400</u>
Revenues	
Property taxes	\$ -
State grants	29,152
Interest	-
Total revenues	<u>29,152</u>
Expenditures	
Current	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	-
School administration	-
Central services	-
Operation and maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community service	-
Capital outlay	29,152
Debt service	
Principal	-
Interest	-
Total expenditures	<u>29,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>
Other financing sources (uses)	
Operating transfers	-
Proceeds from bond issues	-
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	-
Fund balances - beginning of year	<u>-</u>
Fund balances - end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**BOND BUILDING CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	745,000	680,612	393,358	287,254
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>745,000</u>	<u>680,612</u>	<u>393,358</u>	<u>287,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(745,000)</u>	<u>(680,612)</u>	<u>(393,358)</u>	<u>287,254</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	745,000	680,612	-	(680,612)
Total other financing sources (uses)	<u>745,000</u>	<u>680,612</u>	<u>-</u>	<u>(680,612)</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ -</u>	(393,358)	<u>\$ (393,358)</u>
Fund balances - beginning of year			<u>680,613</u>	
Fund balances - end of year			<u>\$ 287,255</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net changes in fund balances			\$ (393,358)	
Adjustments to revenues			446,419	
Adjustments to expenditures			<u>(478,106)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (425,045)</u>	

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	29,826	37,172	29,152	(8,020)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>29,826</u>	<u>37,172</u>	<u>29,152</u>	<u>(8,020)</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	29,826	37,171	29,152	8,019
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>29,826</u>	<u>37,171</u>	<u>29,152</u>	<u>8,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	-	(1)	-	1
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning of year			<u>-</u>	
Fund balances - end of year			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net changes in fund balances			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
Revenues				
Local and county sources	\$ 176,386	\$ 176,386	\$ 184,335	\$ 7,949
State sources	-	157,527	151,004	(6,523)
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>176,386</u>	<u>333,913</u>	<u>335,339</u>	<u>1,426</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,764	1,854	1,854	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	289,287	573,833	346,620	227,213
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>291,051</u>	<u>575,687</u>	<u>348,474</u>	<u>227,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,665)</u>	<u>(241,774)</u>	<u>(13,135)</u>	<u>228,639</u>
Other financing sources (uses)				
Operating transfers	-	-	-	-
Designated cash	114,665	241,774	-	(241,774)
Total other financing sources (uses)	<u>114,665</u>	<u>241,774</u>	<u>-</u>	<u>(241,774)</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ -</u>	(13,135)	<u>\$ (13,135)</u>
Fund balances - beginning of year			<u>141,774</u>	
Fund balances - end of year			<u>\$ 128,639</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net changes in fund balances			\$ (13,135)	
Adjustments to revenues			323,438	
Adjustments to expenditures			<u>(311,986)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,683)</u>	

The accompanying notes are an integral part of these financial statements

**DEBT SERVICE FUND**

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**DEBT SERVICE FUND**

Exhibit G-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>Revenues</b>				
Local and county sources	\$ 624,716	\$ 624,716	\$ 662,232	\$ 37,516
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>624,716</u>	<u>624,716</u>	<u>662,232</u>	<u>37,516</u>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	6,247	14,441	6,640	7,801
School administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Debt service</b>				
Reserve	588,633	588,633	-	588,633
Principal	495,000	512,984	495,000	17,984
Interest	129,716	129,716	129,706	10
Total expenditures	<u>1,219,596</u>	<u>1,245,774</u>	<u>631,346</u>	<u>614,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(594,880)</u>	<u>(621,058)</u>	<u>30,886</u>	<u>651,944</u>
<b>Other financing sources (uses)</b>				
Operating transfers	-	-	-	-
Designated cash	594,880	621,058	-	(621,058)
Total other financing sources (uses)	<u>594,880</u>	<u>621,058</u>	<u>-</u>	<u>(621,058)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	30,886	<u>\$ 30,886</u>
Fund balances - beginning of year			<u>621,058</u>	
Fund balances - end of year			<u>\$ 651,944</u>	
<b>Reconciliation to GAAP Basis:</b>				
Net change in fund balances			\$ 30,886	
Adjustments to revenues			21,207	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 52,093</u>	

The accompanying notes are an integral part of these financial statements

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Schedule I

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
High School	\$ 64,991	\$ 122,889	\$ 123,828	\$ 64,052
High School Investments	-	-	-	-
Middle School	18,204	44,233	41,972	20,465
Elementary	27,535	14,593	14,583	27,545
Memorials/Scholarships	<u>20,718</u>	<u>1,301</u>	<u>950</u>	<u>21,069</u>
Total All Schools	<u>\$ 131,448</u>	<u>\$ 183,016</u>	<u>\$ 181,333</u>	<u>\$ 133,131</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2013**

Schedule II

Bank Account Type/Name	Wells Fargo Bank	Quay Schools Federal Credit Union	Citizens Bank	Totals
<b>BALANCE PER BANK</b>				
Checking - General Operational	\$ 1,274,613	\$ -	\$ -	\$ 1,274,613
Checking - NMPSIA Clearing	219,557	-	-	219,557
Checking- Student Memorial & Scholarship	1,204	-	-	1,204
Checking- Student Memorial & Scholarship	3,350	-	-	3,350
Checking- Student Memorial & Scholarship	12,700	-	-	12,700
Savings- Student Scholarship	3,815	-	-	3,815
Certificates of Deposit	-	500,000	-	500,000
Money Market - Operations	-	-	92,178	92,178
Checking- Activity Funds	-	-	31,105	31,105
Checking- Activity Funds	-	-	21,317	21,317
Checking- Activity Funds	-	-	65,629	65,629
Total On Deposit	<u>1,515,239</u>	<u>500,000</u>	<u>210,229</u>	<u>2,225,468</u>
Reconciling Items	<u>(85,525)</u>	<u>-</u>	<u>(5,988)</u>	<u>(91,513)</u>
Reconciled Balance, June 30, 2013	<u>\$ 1,429,714</u>	<u>\$ 500,000</u>	<u>\$ 204,241</u>	<u>2,133,955</u>
Less: Fiduciary Fund Cash				<u>(133,131)</u>
Exhibit A-1 Total June 30, 2013				<u>\$ 2,000,824</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF PLEDGED COLLATERAL BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2013**

Schedule III

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2013	Name and Location of Safekeeper
Wells Fargo Bank	FN AI8345 CUSIP #3138ANHX4 2.902%, Due 08/01/2041	\$ 22,334	Bank of New York Mellon, New York, NY
Wells Fargo Bank	FN AJ 6970 CUSIP #3138AYW88 3.000%, Due 11/01/2026	424,007	Bank of New York Mellon, New York, NY
Wells Fargo Bank	FN AQ9991 CUSIP #3138MSC56 3.000%, Due 02/01/2043	304,061	Bank of New York Mellon, New York, NY
Wells Fargo Bank	FN AB6498 CUSIP #31417DGG2 3.000%, Due 10/01/2042	<u>33,500</u>	Bank of New York Mellon, New York, NY
	TOTAL Pledged Collateral	<u>\$ 783,902</u>	

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2013**

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2012	\$ 207,670	\$ -	\$ 36,174	\$ 99,535
Add:				
FY 2013 revenues	8,294,338	354,557	68,836	575,508
Change in loans FROM other fu	47,242	-	-	-
Total cash available	<u>8,549,250</u>	<u>354,557</u>	<u>105,010</u>	<u>675,043</u>
Less:				
FY 2013 expeditures	(7,910,207)	(354,557)	(75,513)	(570,568)
Change in loans TO other Funds	-	-	-	-
Total cash used	<u>(7,910,207)</u>	<u>(354,557)</u>	<u>(75,513)</u>	<u>(570,568)</u>
Cash, June 30, 2013	<u>\$ 639,043</u>	<u>\$ -</u>	<u>\$ 29,497</u>	<u>\$ 104,475</u>

The accompanying notes are an integral part of these financial statements

Athletics Account 22000	Fiduciary 23000	Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 26000	State Flowthrough 27000	State Direct 28000
\$ 7,894	\$ 131,448	\$ -	\$ 89,750	\$ 24,528	\$ 100	\$ 19,548
19,879	182,721	1,003,456	172,007	0	103,939	12,500
-	-	-	-	-	-	-
<u>27,773</u>	<u>314,169</u>	<u>1,003,456</u>	<u>261,757</u>	<u>24,528</u>	<u>104,039</u>	<u>32,048</u>
(22,397)	(181,038)	(1,003,456)	(175,296)	(4,414)	(104,039)	(7,263)
-	-	-	-	-	-	-
<u>(22,397)</u>	<u>(181,038)</u>	<u>(1,003,456)</u>	<u>(175,296)</u>	<u>(4,414)</u>	<u>(104,039)</u>	<u>(7,263)</u>
<u>\$ 5,376</u>	<u>\$ 133,131</u>	<u>\$ -</u>	<u>\$ 86,461</u>	<u>\$ 20,114</u>	<u>\$ -</u>	<u>\$ 24,785</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2013**

	Combined State/Local 29000	Bond Building Account 31100	Public School Capital Outlay 31200	Cap. Improv. SB 9 31700	Debt Service Fund 41000
Cash, June 30, 2012	\$ -	\$ 680,613	\$ -	\$ 141,774	\$ 621,058
Add:					
FY 2013 revenues	25,549	-	-	335,339	662,232
Change in loans FROM other fu	-	-	-	-	-
Total cash available	<u>25,549</u>	<u>680,613</u>	<u>-</u>	<u>477,113</u>	<u>1,283,290</u>
Less:					
FY 2013 expendittures	(2,314)	(393,358)	-	(348,474)	(631,346)
Change in loans TO other Funds	-	-	-	-	-
Total cash used	<u>(2,314)</u>	<u>(393,358)</u>	<u>-</u>	<u>(348,474)</u>	<u>(631,346)</u>
Cash, June 30, 2013	<u>\$ 23,235</u>	<u>\$ 287,255</u>	<u>\$ -</u>	<u>\$ 128,639</u>	<u>\$ 651,944</u>

The accompanying notes are an integral part of these financial statements

Total
<u>\$ 2,060,092</u>
11,810,861
47,242
<u>13,918,195</u>
(11,784,240)
-
<u>(11,784,240)</u>
<u>\$ 2,133,955</u>

The accompanying notes are an integral part of these financial statements

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**COMPLIANCE SECTION**

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**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***

**INDEPENDENT AUDITOR'S REPORT**

Hector H. Balderas, New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Tucumcari Public Schools, Tucumcari, New Mexico

We have audited, in accordance with the 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, 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 of Tucumcari Public Schools (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparison of the District, presented as supplemental information, and have issued our report thereon dated November 6, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*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. *A significant deficiency* is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, which we consider to significant deficiencies as items FS 10-02 and FS 13-02.

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## **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*, which are described in the accompanying schedule of findings and questioned costs as item FS 10-02, FS 13-01, FS 13-02, FS 13-03, FS 13-04, FS 13-05 and FS 13-06.

## **The District's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GRIEGO PROFESSIONAL SERVICES, LLC

A handwritten signature in cursive script that reads "Griego Professional Services, LLC".

Albuquerque, New Mexico  
November 6, 2013

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**FEDERAL FINANCIAL ASSISTANCE**

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

Hector H. Balderas, New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Tucumcari Public Schools, Tucumcari, New Mexico

**Report on Compliance for Each Major Federal Program**

We have audited Tucumcari Public Schools' (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular 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, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of 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, 2013.

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## Report on Internal Control over Compliance

Management of Tucumcari Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico  
November 6, 2013

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2013**

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
<i>Passthrough State of New Mexico Department of Health</i>			
Maternal/Child Health	25110	93.994	\$ 1,333
<b>U.S. Department of Education</b>			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	528,456
IDEA B - Entitlement	24106	84.027	331,833
IDEA B - Pre School	24109	84.173	23,644
IDEA B - Risk Pool	24120	84.173	1,548
Title II-A Teacher / Principal Training	24154	84.367A	86,084
Rural and Low Income Schools	24160	84.358B	27,584
Advanced Placement Incentive Program NMHU	25135	84.330	1,431
<b>Total U.S. Department of Education</b>			<u>1,000,580</u>
<b>U.S. Department of Agriculture</b>			
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program	21000	10.555	492,363
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	48,614
<b>Total U.S. Department of Agriculture</b>			<u>540,977</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 1,542,890</u>

(1) Denotes Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2013**

Schedule V

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Tucumcari Public Schools and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund 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.

2. Subrecipients

During the year, the District provided \$4,915 to subrecipients in federal awards relating to the Maternal/Child Health grant.

3. 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, 2013 was \$48,614 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.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,542,890
Total expenditures funded by other sources	<u>10,826,117</u>
Total expenditures	<u><u>\$ 12,369,007</u></u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule VI**

**Section I – Summary of Audit**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiency identified not considered to be a material weaknesses? | Yes        |
| c. Noncompliance material to financial statements noted?                         | No         |

*Federal Awards:*

- |   |                |                 |                 |        |  |         |  |
|---|----------------|-----------------|-----------------|--------|--|---------|--|
| 1. Internal control over major programs:  |                |                 |                 |        |  |         |  |
| a. Material weaknesses identified?  | No             |                 |                 |        |  |         |  |
| b. Significant deficiency identified not considered to be material weaknesses?  | No             |                 |                 |        |  |         |  |
| c. Control deficiency identified not considered to be significant deficiency?   | No             |                 |                 |        |  |         |  |
| 2. Type of auditors’ report issued on compliance for major programs   | Unmodified     |                 |                 |        |  |         |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?   | No             |                 |                 |        |  |         |  |
| 4. Identification of major programs:  |                |                 |                 |        |  |         |  |
| <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">CFDA<br/>Number</td> <td style="width: 100px;"></td> <td style="text-align: center; border-bottom: 1px solid black;">Federal Program</td> </tr> <tr> <td style="text-align: center;">84.010</td> <td></td> <td style="text-align: center;">Title I</td> </tr> </table> | CFDA<br>Number |                 | Federal Program | 84.010 |  | Title I |  |
| CFDA<br>Number  |                | Federal Program |                 |        |  |         |  |
| 84.010  |                | Title I         |                 |        |  |         |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:   | \$300,000      |                 |                 |        |  |         |  |
| 6. Auditee qualified as low-risk auditee?   | Yes            |                 |                 |        |  |         |  |

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Section I – Financial Statement Findings**

**FS 10-02 – Budgetary Controls – Significant Deficiency – Repeated and Revised**

*Criteria:* Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority.

*Condition:* The District incurred expenditures in excess of budgetary authority in the following funds and functions:

<b>Major Funds</b>	
General Fund – Support Services - Students	\$ 5,228
Instructional Materials Fund – Support Services – Instruction	2,299
Total Major Funds	7,527
<b>Nonmajor Fund</b>	
Coleman Foundation	1,366
Pre-K Initiative - Instruction	45,138
Pre-K Initiative – Operation & Maintenance of plant	20,651
<b>Total</b>	<b><u>\$ 74,682</u></b>

*Cause:* The District did not request the budget adjustments at year end to alleviate these budget overruns in the respective functions and allowed one fund to be overspent in total.

*Effect:* The internal controls established by adherence to budgets have been compromised, and excess spending could, and did, result. In addition, New Mexico statutes have been violated.

*Auditor’s Recommendation:* We recommend that the District adhere to their policy of reviewing year end expenditures and requesting budget adjustments where necessary.

*Management’s Response:* Nonmajor Cash Balance - The Business Manager will send in a Budget Adjustment Request (BAR) for any amount that is a decrease or increase for any fund that is different from the final numbers at the end of June.

Major Funds Function - These funds were not overspent. These are expenses charged to a line item code that we had not used before. A transfer BAR was submitted and denied because it was after June 1<sup>st</sup>. Business office will try to cover budget authority in line items better.

*Cause:* Inadequate monitoring of ending cash balances and budgeting are the cause of this problem.

**FS 13-01 — Negative Cash in Student Activity Funds – Other Matter**

*Criteria:* Per PSAB Supplement 18, no activity fund account shall ever be permitted to incur a deficit. Financial records of student activity funds must be in accordance with GAAP and an adequate internal control structure established and maintained, as well as audit trails, in the same manner as the school district’s regular funds.

*Condition:* During the performance of audit procedures relating to activity fund cash, the following activity fund was noted as having negative cash balance at year end:

Orff Ensemble – Tukumcari Elementary	\$ 124
--------------------------------------	--------

*Cause:* The District is not maintaining proper controls over deficit spending in activity accounts.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule VI**

*Effect:* The District is in violation of PSAB Supplement 18, which could mean operational funds are covering activity funds for the deficit. The over expenditure causes a cash management issue because it could result in operational funds also going into a negative cash balance.

*Auditor's Recommendation:* We recommend that the District review the activity funds on a monthly basis to ensure that there is no deficit spending.

*Management's Response:* Principals and secretaries who deal with activity funds have been alerted to the fact that it is their responsibility to monitor these funds. The principals have been asked to make sure the activity funds have been reconciled with the bank statements no later than the 10th of each month and submitted to the Business Office for review no later than the 10th of each month.

**FS 13-02 Bank Reconciliations - Significant Deficiency**

*Criteria:* NMAC 6.20.2.14K states that all bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The District is not completing some bank reconciliations in a timely manner and there is no indication of a review. PSAB Supplement 7 also requires that school districts perform bank reconciliations timely.

*Condition:* During the performance of audit procedures relating to bank reconciliations, we reviewed twenty-four (24) bank reconciliations for various months and accounts. The following are the results of our test work:

- 1 out of 24 bank reconciliations was not completed on a timely basis
- 8 out of 24 bank reconciliations were not signed off and dated by the preparer
- 8 out of 24 bank reconciliations did not have any indications that someone other than the preparer reviewed the reconciliation

*Effect:* Without performing bank reconciliations timely, incorrect posting to the general ledger will not be recognized. In addition, it is often difficult to detect fraudulent activity if bank reconciliations are not prepared timely or reviewed by someone other than the preparer. Fraudulent transactions can take place and not be detected.

*Cause:* During the year some of the staff was absent and no one else is cross trained in order to insure that reconciliations are completed timely. As for the review, bank reconciliations were not forwarded to Superintendent for review.

*Auditors' Recommendation:* We recommend that the District perform bank reconciliations on a monthly basis and be reviewed by the Superintendent.

*Management's Response:* Principals and secretaries have been reminded that the bank reconciliations of their activity funds must be done by the 10th of each month and submitted to the Business Office no later than the 10th of each month. They have also been reminded to sign the forms and date them before being sent to the Business Office. The reconciled statements are submitted to the Superintendent and the Board at every meeting. Business Office reconciliations are being signed and submitted by the comptroller to the Business Manager. The Business Manager reviews and reconciles the statements, signs them and submits the cash report and fund balances showing all is balanced at every Board meeting for the Superintendent and Board Review.

**FS 13-03 Cash Disbursements – Other Matter**

*Criteria:* According to NMSA 1978 Section 6-6-3, the school is expected to conform to the rules and regulations that they have adopted relating to internal controls.

*Condition:* It is the District's policy and procedure to obtain approved purchase orders before the purchase of goods or services are made. During our cash disbursements test work, GPS noted one out of twenty-five instances in which the vendor invoice predated the purchase order. The invoice predated the purchase order was for the amount of \$33.51 out of \$36,366.00 tested.



**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule VI**

*Effect:* The lack of enforcing the District's policies and procedures may result in the non-authorized or incorrect calculations of invoices.

*Cause:* Policies and procedures that the District has adopted for cash disbursement transactions are not being enforced.

*Auditors' Recommendation:* The District must enforce policies and procedures that are set in place for the purchase of goods and/or services and ensure the vendor invoices are being checked for accuracy prior to payment.

*Management's Response:* The Superintendent will reinforce the policy in a memo to all staff, supervisors, and contract service personnel.

**FS 13-04 Use of Property - Compliance**

*Criteria:* According to NMSA 1978 Section 6-6-3, the school is expected to conform to the rules and regulations that they have adopted relating to internal controls.

*Condition:* It is the District's policy and procedure that any items purchased with grant funds are the property of the District and should not be used for personal purposes. During our cash receipts test work, GPS noted one out of twenty-five instances in which a federally purchased Ipad is attached to a personal Itunes account.

*Effect:* The lack of enforcing the District's policies and procedures may result in misuse of District assets for personal gain.

*Cause:* Policies and procedures that the District has adopted for safeguarding of assets are not being enforced.

*Auditors' Recommendation:* The District must enforce policies and procedures that are set in place for the safeguard of District assets. New technology, such as Ipads should not be tied to personal Itunes accounts.

*Management's Response:* The Superintendent will reinforce the policy in a memo to all staff, supervisors, and contract service personnel. District assets will be signed off for by each person receiving the asset that they have read the policy and will follow the policy

**FS 13-05 Payroll – Other Matter**

*Criteria:* NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

*Condition:* During the payroll test work, we noted the following:

- One out of twenty-five employees tested, appears to be paid double for overlapping hours between two different job duties. During a pay period the employee has 16 hours of overlap between job duties resulting in an additional \$469.80 pay for bus driving duties during Secretary hours. If projected there are approximately 320 hours where the employee is being paid for both jobs for the same hours.
- One out of twenty-five employees tested, an employee is being paid over-time pay for all hours worked beyond 84 hours, including downtime activity hours; there are 38 hours of downtime being charged as overtime resulting in \$427.50 of pay at \$11.25 an hour. Based on our understanding of the policies, overtime should not be accumulated on downtime pay. Only on-duty driving hours should count towards the amount of hours being worked and only additional on-duty hours should be allowed to have overtime added to them.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule VI**

*Cause:* The District is not in compliance with NMAC 6.20.2.18.

*Effect:* Employees appear to be over compensated. In addition, the District is over expending on all associated retirement benefits and/or deductions.

*Auditors' Recommendation:* We recommend that the District review all personnel files and ensure that employee compensation is calculated at the correct rates and for the actual hours worked. In addition, if the District does not have policies that cover these two situations, policies should be adopted to insure that federal and state guidelines are met.

*Management's Response:* A policy is being drafted that will address these issues. The policy will be in place before the end of the school year. We acknowledge the fact that this issue will be a finding in the next years audit, but should be cleared by the audit of June 30, 2015.

**FS 13-06 – Cash Appropriations in Excess of Available Cash Balances – Compliance – Repeated and Revised**

*Criteria:* 22-8-11-B NMSA 1978 requires that no District or employee of a District shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. All District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances re-budgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

*Condition:* The District re-budgeted “cash balance” in excess of available cash in the following funds:

	Designated <u>Cash</u>	Available <u>Cash</u>	Appropriation in Excess of <u>Available Cash</u>
<b>Major Fund</b>			
Capital Improvements SB-9	\$ 241,774	\$ 141,774	\$ 100,000
<b>Nonmajor Funds</b>			
Advanced Placement Incentive Program NMHU	<u>1,828</u>	<u>1,431</u>	<u>397</u>
<b>Total All Funds</b>	<b><u>\$ 243,602</u></b>	<b><u>\$ 143,205</u></b>	<b><u>\$ 100,397</u></b>

*Cause:* The District did not ensure sufficient prior year cash balances before submitting the budget adjustment request to PED. They also did not make the necessary budget adjustments to transfer budget authority between functions to ensure the fund was not overspent at the function level.

*Effect:* The District has budgeted cash balance that does not exist. If the District expends all budgeted expenditures it could incur debt if the budgeted designated cash does not exist. However, in no instance did actual expenditures exceed budget.

*Auditors' Recommendations:* We recommend that the District review prior year audited cash balances before submitting budget adjustment requests for budgeted cash, to ensure sufficient balances exist. Also, the District should adjust the budget as needed to ensure each fund is not overspent at the function level.

*Management's Response:* Nonmajor Cash Balance - The Business Manager will send in a Budget Adjustment Request (BAR) for any amount that is a decrease or increase for any fund that is different from the final numbers at the end of June.

**STATE OF NEW MEXICO**  
**TUCUMCARI PUBLIC SCHOOLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule VI**

Major Funds Function - These funds were not overspent. These are expenses charged to a line item code that we had not used before. A transfer BAR was submitted and denied because it was after June 1<sup>st</sup>. Business office will try to cover budget authority in line items better.

*Cause:* Inadequate monitoring of ending cash balances and budgeting are the cause of this problem.

**Section II – Federal Award Findings**

None

**Section III – Prior Year Audit Findings**

FS 10-02 – Budget Compliance - Significant Deficiency - *Repeated and Revised*

FS 11-01 – Credit Cards Compliance – *Resolved*

**Section IV – Other Disclosures**

Auditor Prepared Financials

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The District’s management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

Exit Conference

The contents of this report were discussed on November 6, 2013. The following individuals were in attendance.

Tucumcari Public Schools

Aaron McKinney, Superintendent  
Leola Patterson, Business Manager  
Dave Johnson, Assistant Superintendent  
Dianne Morrow, Assistant Business Manager  
Lorinda Martinez, Business Support  
Marion Payton, Board Member  
Leif Gray, Board Member  
Susan Lease, Community Member, Audit Committee  
Teresa Barreras, Financial Member, Audit Committee

Griego Professional Services, LLC

J.J. Griego, CPA