

STATE OF NEW MEXICO



TULAROSA MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT

JUNE 30, 2010

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
Tularosa Municipal Schools
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2010

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STATE OF NEW MEXICO
Tularosa Municipal Schools

OFFICIAL ROSTER
June 30, 2010

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Brenda Yousif		President
Mike Mackechenie		Vice President
Kim Chavez		Secretary
Doyle Syling		Member
Samuel Sanchez		Member
	<u>School Officials</u>	
Brenda Vigil		Superintendent
Kathleen Richardson		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 and
The Governing Board
Tularosa Municipal Schools
Tularosa, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of the general fund activities of Tularosa Municipal Schools (the "District") as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements and budgetary comparison statements of each of the District's nonmajor governmental funds and the Bond Building Fund and each fiduciary fund presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Tularosa Municipal Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tularosa Municipal Schools, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and each fiduciary fund of Tularosa Municipal Schools as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparison statements for each nonmajor governmental fund and the Bond Building Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Where Quality & Accuracy Count

6565 Americas Parkway NE, Ste 670
Albuquerque, NM 87110

Office: 505-563-5525
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In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2010 on our consideration of the Tularosa Municipal Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* presented on pages 13-18 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tularosa Municipal Schools' basic financial statements, the combining and individual fund financial statements, and the budgetary comparison statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as supporting Schedules I through III in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Tularosa Municipal Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic and each of the nonmajor governmental fund financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.



Precision Accounting, LLC

Albuquerque, New Mexico

September 10, 2010

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State of New Mexico Tularosa Municipal School District No. 47
Management's Discussion and Analysis

As management of the Tularosa Municipal School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2010. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

In June 1999, GASB approved Statement #34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Government". In June 2001, the GASB approved Statement #37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement #38 "Certain Financial Statement Note Disclosures". Statement #37 clarifies and modifies Statement #34 and should be implemented simultaneously with Statement #34. Statement #38 modifies, establishes and rescinds certain financial statement disclosure requirements. The District implemented the provisions of the above statements effective July 1, 2003.

Financial Highlights

Key financial highlights for fiscal year ended June 30, 2010 are as follows:

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$21,177,208 (net assets). Of this amount, \$8,795,293 is invested in capital assets, \$11,066,860 is restricted for Capital Projects, \$160,913 is restricted for Debt Service, \$350,780 is restricted for Special Revenue Funds, \$11,182 is restricted for General Funds, and \$792,180 is unrestricted and may be used to meet the District's ongoing obligations.
- The District's total net assets increased by \$7,464,748 which is reflected in the District's Statement of Activities.
- The District's liabilities increased by \$1,052,540 in fiscal year 2010. This increase includes a decrease in current liabilities and an increase in long-term liabilities due to the issuance of new bonds for this fiscal year.
- At June 30, 2010, the unreserved and undesignated fund balance for the general fund was \$809,980, which reflects a decrease of \$471,319 from the previous fiscal year.
- As part of the implementation of GASB 34, total accumulated depreciation on capital assets as of June 30, 2010 is \$21,464,558. This includes current year depreciation in the amount of \$769,495.
- Capital Outlay expenditures increased from \$951,928 in the year ending June 30, 2009 to \$8,668,363 in the year ending June 30, 2010. The increase in expenditures was largely associated with the continued construction in progress on the renovation of the high school in this fiscal year as Phase I of the project was approximately 90% completed at fiscal year end. Capital Outlay expenditures in this fiscal year included the purchase of a lawn mower and floor scrubber for the maintenance department, ground improvements for the elementary school with the installation of fencing, construction in progress as the design phase was completed for the construction of a water well irrigation system at the high school, and the upgrade/purchase of technology equipment. These projects were funded utilizing capital outlay bond building monies and direct appropriations received from the state.
- The District's general obligation bond debt balance is \$4,565,000 which reflects a \$980,000 increase due to the net offset of paying principle payments on old bonds and issuing new debt. Voters authorized new bonds in the amounts of \$1,295,000 sold during the fiscal year. These bond sales were authorized by voters in an election which allows the District to issue the debt over an eight year period.

Basic Financial Statements

In general, the purpose of financial reports is to provide external parties reading the financial statements with information that will help them to make decisions or draw conclusions about the reporting entity. There are many external parties that read and use the District's financial statements; however, these parties do not always have the same objectives. This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader may understand the District's overall financial position. In accordance with required reporting requirements, the District presents (1) government-wide financial statements and (2) fund financial statements.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to that of a private sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g. uncollected taxes).

Both the *statement of net assets* and the *statement of activities* distinguish functions of the District that are primarily supported by property taxes and state revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through fees and charges. The governmental activities of the District include education, pupil transportation, food service and community service. The District does not have any business-type activities.

The *government-wide financial statements* can be found on Exhibits A-1 and A-2 on pages 20 through 23 of the financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Government Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available as the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. A reconciliation to facilitate the comparison of the governmental funds and governmental activities has been provided.

The District has four individual governmental fund groups. Information is presented separately in the governmental fund balance sheets and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the following funds:

General Fund
Debt Service Fund

Capital Projects Fund
Special Revenue Funds

The basic governmental fund financial statements can be found on Exhibits B-1 and B-2 on pages 24 through 27 of the financial statements.

Fiduciary Funds

Fiduciary Funds are used to account for resources held in trust for the benefit of parties outside the District. Fiduciary fund financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. These funds are not reported in the government-wide financial statements.

The fiduciary fund financial statements can be found in Exhibit D on page 33 of the financial statements.

Overview of the District's Financial Position and Operations the District's overall financial position and operations for the current year as compared to the previous fiscal year are as follows:

TULAROSA MUNICIPAL SCHOOL DISTRICT'S NET ASSETS COMPARATIVE DATA

TULAROSA MUNICIPAL SCHOOL DISTRICT'S NET ASSETS COMPARATIVE DATA		
	Current Year 2010	Prior Year 2009
Assets		
Cash and Other Equivalents	\$ 5,607,691	\$ 5,348,882
Current and Other Assets	\$ 777,049	\$ 247,388
Capital Assets, Net	\$20,167,243	\$12,438,425
TOTAL ASSETS	\$26,551,983	\$18,034,695
Liabilities		
Current Liabilities	\$ 1,239,775	\$ 1,029,337
Noncurrent Liabilities		
Due within one year	\$ 23,537	\$ 22,898
Due in more than one year	\$ 4,135,000	\$ 3,270,000
TOTAL LIABILITIES	\$ 5,374,775	\$ 4,322,235
Net Assets		
Invested in Capital Assets, net related of debt	\$ 8,795,293	\$ 8,656,395
Restricted:		
Debt Services	\$ 160,913	\$ 827,533
Capital Projects	\$11,066,860	\$ 2,395,725
Special Revenue Funds	\$ 350,780	\$ 362,594
Unrestricted	<u>\$ 792,180</u>	<u>\$ 1,470,213</u>
TOTAL NET ASSETS	<u>\$21,177,208</u>	<u>\$13,712,460</u>

As noted in the schedule above, 4% of the District's net assets are unrestricted in nature and can be used at the *discretion* of the District and to meet ongoing obligations to creditors and stakeholders. 55% is restricted for the stated purposes. The remaining 41% of the District's net assets are invested in capital assets, net of related debt. This indicates that the accumulated depreciation along with the asset values exceed existing debt.

Governmental activities increased the District's overall net assets by \$7,459,857. This increase was the effect of the increase in total assets of \$8,517,288 offset by the increase in total liabilities of \$1,052,540. Nonetheless, the District's liquidity, the ability to convert assets into cash to pay for obligations and commitments, remains secure. Cash and cash equivalents represent almost 21% of the District's total assets indicating a highly liquid position.

The major elements of the District's governmental activities contributing to the increase in the change in net assets are listed on the next page.

**TULAROSA MUNICIPAL SCHOOL DISTRICT'S CHANGES IN NET ASSETS
COMPARATIVE DATA**

Revenues:	2010	2009
Program Revenues		
Charges for Services	\$ 151,859	\$ 151,382
Operating Grants & Contributions	\$ 3,457,815	\$ 3,470,089
Capital Grants & Contributions	\$ 17,242,404	\$ 894,376
Total Program Revenues	\$ 20,852,078	\$ 4,515,847
General Revenues:		
Property Taxes		
General Purpose	\$ 30,932	\$ 27,473
Debt Service	\$ 652,133	\$ 524,733
Capital Projects	\$ 156,691	\$ 140,209
Grants & Contributions, not restricted	\$ 6,588,165	\$ 7,715,688
Unrestricted Investment Earnings	\$ 6,976	\$ 10,944
Miscellaneous Income	\$ 29,038	\$ 808
Total General Revenues	\$ 7,463,935	\$ 8,419,855
TOTAL REVENUES	\$ 28,316,013	\$ 12,935,702
Expenditures:		
Direct Instruction	\$ 7,028,596	\$ 6,772,662
Students	\$ 715,013	\$ 797,723
Instruction	\$ 356,585	\$ 795,596
General Administration	\$ 404,572	\$ 418,457
School Administration	\$ 697,767	\$ 668,428
Central Services	\$ 248,954	\$ 253,558
Operation & Maintenance of Plant	\$ 1,104,377	\$ 1,013,038
Student Transportation	\$ 561,026	\$ 555,877
Other Support Services	\$ -	\$ -
Food Services	\$ 471,576	\$ 490,182
Capital Outlay	\$ 9,165,843	\$ 264,134
Interest on Long term debt	\$ 101,847	\$ 150,035
TOTAL EXPENDITURES	\$ 20,856,156	\$ 12,179,690
<i>Change in Net Assets</i>	<i>\$ 7,459,857</i>	<i>\$ 756,012</i>
Net Assets, Beginning of Year	\$ 13,717,351	\$ 12,956,448
<i>Net Assets, End of Year</i>	<i>\$ 21,177,208</i>	<i>\$ 13,712,460</i>

State of New Mexico Tularosa Municipal School District No. 47

As noted above, the District is heavily dependent on federal and state aid, which comprises 84% of its total revenues. Correspondingly, it spends almost 53% of total revenues on direct instruction and instructional support the two primary functions that indicate direct school spending.

General Fund Budgetary Highlights

Budget to actual comparison schedules are presented for all major funds and non major funds individually in Exhibit C-1 through C-3 and Schedules A-3-A35. In addition, budget to actual comparison schedules were presented for each individual fund in the supplementary information section of this report. These schedules are prepared on a cash basis which is the format allowed by the District's oversight agency, the New Mexico Public Education Department.

The original expenditure budget for the District's general fund was decreased by \$299,100. This decrease resulted from a 4.1% (\$148.34 per funding unit) decrease in the final unit value set by the State Legislature for the District's state equalization guarantee funding for the 2009-2010 school year. This negative impact on the SEG funding was offset by the state legislature's \$78.20 per unit value increase in the federal stabilization funding (stimulus monies). The combined effect resulted in an overall \$70.14 per unit decrease in funding for the general fund. The final expenditure budget was \$8,359,549 of which \$7,466,515 was expended in the current year. Budgets were not exceeded in any of the functions in the general fund.

Of the \$7,082,929 revenue budget in the general fund, \$6,993,751 (98.7%) of the budget was received during the year. The 1.3% under-budget amount of revenues received was primarily due to a decrease in SEG funding received by the District from the Public Education Department due to a cash balance credit taken by the PED from the District. School Districts are only allowed to carry a percent of allowed cash from one school year to another.

The expenditure budget originally approved for the District's debt service fund increased slightly by \$30,798 for this school year. Surplus cash balances continue to be restricted in order to pay bond principal and interest payments on all bond series. Even with this use of cash, the District maintains a strong financial position in the debt service fund.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2010 is \$8,767,503. These assets include land and land improvements, building and building improvements, equipment and furniture, and vehicles. The major construction project of renovating and upgrading the high school facilities began this school year with construction to continue through the 2010-2011 school year. Also, the design phase of constructing a irrigation water well and water system for the high school was completed this school year with the construction phase of the water well and water system to begin and be completed in school year 2010-2011. Assets increased approximately 26% from the prior fiscal year largely due to an increase in the construction in progress for the high school renovation project.

Depreciation calculated as a result of GASB 34 implementation resulted in an accumulated depreciation balance of \$21,464,558, of which \$769,495 is for depreciation in the current year. Additional information of the District's capital assets is presented in Note 7 on page forty-eight (48) of the financial statements.

Long-term obligations

At the end of the current year, the district had \$4,565,000 in long-term debt related to governmental activities. Of this debt, 100% was related to general obligation bonds still outstanding at the end of the year. The debt position of the District is summarized below and is more fully analyzed in Note 8 on page forty-nine (49) of the financial statements.

TULAROSA MUNICIPAL SCHOOL DISTRICT'S LONG-TERM OBLIGATION

Governmental Activities:

General Obligation Debt

	<u>Bal @7-1-09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Bal @ 6-30-10</u>	<u>Due W/in One Year</u>
<i>TOTAL</i>	\$3,585,000	\$1,295,000	\$315,000	\$4,565,000	\$315,000

During FY 2010, the District issued \$1,295,000 in new General Obligation School Building Bonds Series 2009. During the fiscal year, the District reduced total bond debt principle by \$315,000 in accordance with schedule bond payments.

The most recent issuances by the District have received the following credit ratings:

- The \$1,295,000 bonds issued during 2010 received an enhanced AA2 rating.

The enhanced rating is partly due to recent legislative action that guarantees payment to the bondholders in the event of default by the District.

Relevant Current Economic Factors, Decisions and Conditions

As anticipated, the District's student population remained the same as the previous school year. Since the District, like all other New Mexico school districts, is funded on a prior year funding formula, (the student population from this year will determine the amount of funding received in the following year), it must maintain tight budgetary controls in order to meet current year needs with last year's funding. The District's primary general source of revenue is derived from the formula. The District anticipates that the student population will remain stable with approximately 958 students for the next year but will experience a decline in the school years following due to a decrease in student enrollment in the lower grades.

Additionally, the state is experiencing revenue shortfalls and continues to decrease funding to the Public Education Department who in turn decreases the unit value provided to school districts in their state equalization guarantee funding. The District has survived the budget cuts due to their past ability to maintain a strong cash balance in the general fund; however, the decreases in SEG funding continue to deplete the District's cash reserves in the general fund. For the upcoming 2010-2011 school year, the District's employee salaries remained unchanged but due to the budget cuts, some positions were not re-hired. The maintenance of current programs with the continued decrease in funding received from the state presents the District with many challenges for the upcoming school year.

With respect to property taxes, the District's tax rate has remained stable over the last few years due to the bond program implemented by the District. In general, as old debt is retired, new debt is issued, thereby maintaining a non-residential rate of approximately \$2.00 per \$1,000 assessed valuation. On February 3rd, 2009, the voters approved a \$2.00 mill levy for capital improvements; and during the fiscal year, \$1,295,000 of the bonds was sold. These funds will be used to provide matching funds pursuant to the Public School Capital Outlay Act for the construction project underway to renovate/upgrade the high school in order to meet adequacy standards for 325 students, grades 9-12. It will also be used to improve school grounds and school furnishings, as well as the need to upgrade equipment and technology adequacy. In order to accomplish this, the District requires funding from taxpayers as well as continued support through direct legislative appropriations.

Request for Information

This financial report is designed to provide various interested parties with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or require additional information, contact the District's Finance Department as follows:

Kathleen Richardson, Business Manager, 505-585-8819
Physical and Mailing Address:
504 First Street
Tularosa, NM 88352
e-mail: krichardson@tularosa.k12.nm.us

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit A-1
(Page 1 of 2)

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,607,691
Taxes Receivables	43,843
Due from other Governments	486,500
Inventory	10,720
Total current assets	<u>6,148,754</u>
Noncurrent assets:	
Bond issuance costs (net of amortization of \$93,030)	235,986
Capital assets:	
Other capital assets	41,631,801
Less accumulated depreciation	(21,464,558)
Total Capital assets	<u>20,167,243</u>
Total noncurrent assets	<u>20,403,229</u>
Total assets	<u><u>\$ 26,551,983</u></u>

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit A-1
(Page 2 of 2)

	<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ 247,053
Accrued salaries and benefits	456,516
Accrued compensated absences	23,537
Accrued interest	82,321
Deferred revenue	348
Current portion of long-term debt	430,000
Total current liabilities	<u>1,239,775</u>
Noncurrent liabilities:	
Bonds, loans and other payables:	
Due in more than one year	4,135,000
Total noncurrent liabilities	<u>4,135,000</u>
Total liabilities	<u>5,374,775</u>
Net assets:	
Invested in capital assets, net of related debt	8,795,293
Unrestricted	792,180
Restricted for General Funds	11,182
Restricted for Special Revenue Funds	350,780
Restricted for Capital Projects Funds	11,066,860
Restricted for Debt Service Funds	160,913
Total net assets	<u>21,177,208</u>
Total liabilities and net assets	<u><u>\$ 26,551,983</u></u>

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction:		
Direct instruction	\$ 7,028,596	\$ 63
Support services:		
Students	715,013	-
Instruction	356,585	-
General Administration	404,572	-
School Administration	697,767	-
Central Services	248,954	-
Operation & Maintenance of Plant	1,104,377	-
Student Transportation	561,026	-
Other Support Services	-	115,217
Food Services	471,576	36,579
Capital Outlay	9,165,843	-
Interest on long-term debt	101,847	-
Total governmental activities	<u>\$ 20,856,156</u>	<u>\$ 151,859</u>

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

Program Revenues		Net
Operating Grants and Contributions	Capital Grants and Contributions	(Expenses) Revenues and Changes in Net Assets
\$ 2,973,136	\$ -	\$ (4,055,397)
-	17,242,404	16,527,391
-	-	(356,585)
-	-	(404,572)
-	-	(697,767)
-	-	(248,954)
-	-	(1,104,377)
461,128	-	(99,898)
-	-	115,217
23,551	-	(411,446)
-	-	(9,165,843)
-	-	(101,847)
<u>\$ 3,457,815</u>	<u>\$ 17,242,404</u>	<u>(4,078)</u>

General Revenues:

Property taxes:	
Levied for general purposes	30,932
Levied for debt service	657,025
Levied for capital projects	156,691
State aid not restricted	6,588,165
Bond proceeds to be adjusted	-
Miscellaneous	29,038
Unrestricted investment earnings	6,975
	<u>7,468,826</u>
Total general revenues	<u>7,468,826</u>
Change in net assets	7,464,748
Net assets - beginning	13,712,460
Net assets - ending	<u>\$ 21,177,208</u>

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	General Fund		
	Operational	Transportation	Instructional Materials
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 693,528	\$ 1,527	\$ 9,911
Investments	121,600	-	-
Accounts receivable			
Taxes	917	-	-
Due from other governments	-	-	-
Other accounts receivable	-	-	-
Interfund receivable	455,450	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 1,271,495</u>	<u>\$ 1,527</u>	<u>\$ 9,911</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ 4,707	\$ 256	\$ -
Accrued salaries and benefits	456,516	-	-
Interfund payable	-	-	-
Deferred revenue	292	-	-
<i>Total liabilities</i>	<u>461,515</u>	<u>256</u>	<u>-</u>
<i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved in General fund for specific purpose	-	1,271	9,911
Reserved for special revenue fund:	-	-	-
Reserved for capital project fund	-	-	-
Reserved for debt service fund:	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in			
General Fund	809,980	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	<u>809,980</u>	<u>1,271</u>	<u>9,911</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,271,495</u>	<u>\$ 1,527</u>	<u>\$ 9,911</u>

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

Bond Building	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 3,262,425	\$ 525,083	\$ 639,290	\$ 5,131,764
289,951	14,820	49,556	475,927
-	38,650	9,168	48,735
-	-	486,500	486,500
-	-	-	-
-	-	-	455,450
-	-	10,720	10,720
<u>3,552,376</u>	<u>578,553</u>	<u>1,195,234</u>	<u>6,609,096</u>
\$ 43,501	\$ -	\$ 198,589	\$ 247,053
-	-	-	456,516
-	-	455,450	455,450
-	24,519	6,159	30,970
<u>43,501</u>	<u>24,519</u>	<u>660,198</u>	<u>1,189,989</u>
-	-	10,720	10,720
-	-	-	11,182
-	-	340,060	340,060
3,508,875	554,034	184,256	4,247,165
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	809,980
-	-	-	-
-	-	-	-
<u>3,508,875</u>	<u>554,034</u>	<u>535,036</u>	<u>5,419,107</u>
<u>\$ 3,552,376</u>	<u>\$ 578,553</u>	<u>\$ 1,195,234</u>	<u>\$ 6,609,096</u>

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS

Exhibit B-1
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2010

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

Fund balances - total governmental funds	\$	5,419,107
Capital assets used in governmental activities are not financial resources and therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets		20,167,243
Other assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Property taxes		48,628
Bond issuance costs (net of amortization)		235,986
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable		(82,321)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund		<u>(4,611,435)</u>
Net Assets of Governmental Activities in the Statement of Net Assets	\$	<u><u>21,177,208</u></u>

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General Fund		
	Operational	Transportation	Instructional Materials
<i>Revenues:</i>	\$	\$	\$
Taxes			
Taxes levied/assessec	30,640	-	-
Local sources			
Tuition	-	-	-
Investment income	2,582	40	-
Food services	-	-	-
District activities	63	-	-
Other revenue	29,038	-	-
State sources			
Unrestricted Grants	6,588,165	-	-
Restricted Grants	-	461,128	36,846
Federal sources			
Unrestricted Grants	259,548	-	-
Unrestricted -state passthrough	81,727	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	2,482	-	-
<i>Total revenues</i>	<u>6,994,245</u>	<u>461,168</u>	<u>36,846</u>
<i>Expenditures:</i>			
Current:			
Instruction	4,806,796	-	66,501
Support Services			
Students	400,665	-	-
Instruction	180,042	-	3,698
General Administrator	249,899	-	-
School Administrator	668,218	-	-
Central Services	210,993	-	-
Operation & maintenance of plant	892,196	-	-
Student transportation	51,310	466,601	-
Other Support Services	-	-	-
Operation of Non-instructional Service			
Food services operation:	-	-	-
Capital outlay	5,445	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>7,465,564</u>	<u>466,601</u>	<u>70,199</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(471,319)</u>	<u>(5,433)</u>	<u>(33,353)</u>
<i>Other financing sources (uses)</i>			
Transfers (In) Out	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(471,319)	(5,433)	(33,353)
<i>Fund balances - beginning of year</i>	1,281,299	6,704	43,264
<i>Fund balances - end of year</i>	<u>\$ 809,980</u>	<u>\$ 1,271</u>	<u>\$ 9,911</u>

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

Bond Building	Debt Service	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
-	632,506	150,880	814,026
-	-	-	-
2,839	195	472	6,128
-	-	36,579	36,579
-	-	115,217	115,280
-	-	-	29,038
-	-	-	6,588,165
-	-	8,718,914	9,216,888
848	-	-	260,396
-	-	-	81,727
-	-	785,495	785,495
-	-	1,717,076	1,717,076
-	-	-	-
-	-	23,551	26,033
<u>3,687</u>	<u>632,701</u>	<u>11,548,184</u>	<u>19,676,831</u>
-	-	1,399,431	6,272,728
-	-	314,349	715,014
-	-	172,845	356,585
-	6,342	147,268	403,509
-	-	29,549	697,767
-	-	37,961	248,954
186,136	-	578,436	1,656,768
-	-	7,012	524,923
-	-	-	-
-	-	471,576	471,576
31,813	-	8,631,105	8,668,363
-	315,000	-	315,000
-	143,594	-	143,594
<u>217,949</u>	<u>464,936</u>	<u>11,789,532</u>	<u>20,474,781</u>
<u>(214,262)</u>	<u>167,765</u>	<u>(241,348)</u>	<u>(797,950)</u>
-	-	-	-
-	-	-	-
<u>1,295,000</u>	<u>-</u>	<u>-</u>	<u>1,295,000</u>
<u>1,295,000</u>	<u>-</u>	<u>-</u>	<u>1,295,000</u>
1,080,738	167,765	(241,348)	497,050
2,428,137	386,269	776,384	4,922,057
<u>\$ 3,508,875</u>	<u>\$ 554,034</u>	<u>\$ 535,036</u>	<u>\$ 5,419,107</u>

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Exhibit B-2
 (Page 2 of 2)

For the year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$	497,050
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		
Current year capital expenditure:		8,668,363
Depreciation expense		(769,495)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes		7,723
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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:

Increase in accrued interest		(24,190)
Bond Premium		90,812
Decrease in compensated absence:		(639)
Amortization of bond issuance cost		(24,876)
Issuance of new debt		(1,295,000)
Principal payments on bonds		315,000

Changes in Net Assets of Governmental Activities	\$	7,464,748
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The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
OPERATIONAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	59,838	\$ 59,838
State sources	-	-	6,588,165	6,588,165
Federal sources	-	-	341,275	341,275
Interest	-	-	2,582	2,582
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6,991,860</u>	<u>6,991,860</u>
<i>Expenditures:</i>				
Current:				
Instruction	4,928,135	4,908,135	4,805,582	102,553
Support Services				
Students	748,906	648,906	400,981	247,925
Instruction	311,484	241,484	180,042	61,442
General Administration	344,699	319,699	249,817	69,882
School Administration	667,728	667,728	667,601	127
Central Services	3,718,435	224,599	211,136	13,463
Operation & maintenance of plant	1,118,313	1,070,869	900,044	170,825
Student transportation	58,859	58,859	51,312	7,547
Other Support Services	207,191	207,191	-	207,191
Operation of Non-instructional Services				
Food services operations	12,079	12,079	-	12,079
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,115,829</u>	<u>8,359,549</u>	<u>7,466,515</u>	<u>893,034</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(12,115,829)</u>	<u>(8,359,549)</u>	<u>(474,655)</u>	<u>7,884,894</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	2	2
Designated Cash	12,115,829	8,359,549	-	(8,359,549)
<i>Total other financing sources (uses)</i>	<u>12,115,829</u>	<u>8,359,549</u>	<u>2</u>	<u>(8,359,547)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(474,653)</u>	<u>(474,653)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,693,568</u>	<u>1,693,568</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,218,915</u>	<u>\$ 1,218,915</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (474,655)	
<i>Adjustment to revenue for accruals and other deferrals</i>			97	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			3,239	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (471,319)</u>	

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

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
TRANSPORTATION FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -		\$ -
State sources	-	-	461,128	461,128
Federal sources	-	-		-
Interest	-	-	40	40
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>461,168</u>	<u>461,168</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	432,397	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	432,397	467,832	466,345	1,487
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>864,794</u>	<u>467,832</u>	<u>466,345</u>	<u>1,487</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(864,794)</u>	<u>(467,832)</u>	<u>(5,177)</u>	<u>462,655</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	864,794	467,832	-	(467,832)
<i>Total other financing sources (uses)</i>	<u>864,794</u>	<u>467,832</u>	<u>-</u>	<u>(467,832)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,177)</u>	<u>(5,177)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,704</u>	<u>6,704</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,527</u>	<u>\$ 1,527</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (5,177)	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(256)	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (5,433)</u>	

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

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STATE OF NEW MEXICO

Exhibit C-3

TULAROSA MUNICIPAL SCHOOLS
INSTRUCTIONAL MATERIALS FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -		\$ -
State sources	-	-	36,846	36,846
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>36,846</u>	<u>36,846</u>
<i>Expenditures:</i>				
Current:				
Instruction	75,518	76,902	66,501	10,401
Support Services				
Students	-	-	-	-
Instruction	6,172	6,172	3,698	2,474
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	6,172	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>87,862</u>	<u>83,074</u>	<u>70,199</u>	<u>12,875</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(87,862)</u>	<u>(83,074)</u>	<u>(33,353)</u>	<u>49,721</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	87,862	83,074	-	(83,074)
<i>Total other financing sources (uses)</i>	<u>87,862</u>	<u>83,074</u>	<u>-</u>	<u>(83,074)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(33,353)</u>	<u>(33,353)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>42,768</u>	<u>42,768</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,415</u>	<u>\$ 9,415</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (33,353)	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (33,353)</u>	

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

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2010

Exhibit D

ASSETS

Current Assets

Cash \$ 172,702

Total assets \$ 172,702

LIABILITIES

Current Liabilities

Deposits held in trust for others \$ 172,702

Total liabilities \$ 172,702

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

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

NOTE 1. Summary of Significant Accounting Policies

Tularosa Municipal Schools is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Tularosa. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Tularosa Municipal School's management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

A. *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) 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*.

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

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.

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 does 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 year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included 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 Fund* is used to account for the accumulation of resources for the funds provided from the District's bond issues. Resources are used for the purpose of erecting, remodeling, making additions to, or furnishing public school buildings and purchasing or improving public school grounds. Financing is provided by ad valorem taxes as specified by Article 15 of the Finance of Counties, Municipalities, and School Districts Act., and the payment of, general long-term debt principal, interest and related costs.

The *Debt Service Fund* – The purpose of this fund is to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following fund types:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. There were no such transactions during the fiscal year ended June 30, 2010.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deposits and Investments: 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.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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

The District receives monthly income from a tax levy in Otero County. The funds are collected by the County Treasurers and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2010 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2010.

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 (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, fifty percent is restricted to the requisition of materials listed in the New Mexico Public Education Department "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. The districts are allowed to carry forward unused allocations from year to year.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Inventory: Inventory is valued at cost utilizing the purchase basis of accounting. 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. 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.

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 (amount not rounded) 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. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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.

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Building improvements	20
Furniture, fixtures and equipment	5-20
Vehicles	10-20

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized 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 deferred 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 deferred revenues in the governmental fund financial statements.

Compensated Absences: The District permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the District. Accumulated sick leave benefits vest with each employee in accordance with District policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service by employees.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

Invested in capital assets, net of related debt:

Consists of net 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 these assets.

Restricted:

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

Unrestricted:

All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Reclassifications: Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

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.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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 costs.

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 \$6,588,165 in state equalization guarantee distributions during the year ended June 30, 2010.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$814,026 in tax revenues in the governmental fund financial statements during the year ended June 30, 2010. 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.

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 \$461,128 in transportation distributions during the year ended June 30, 2010.

Instructional Materials: The District had allocations allowed by the State for the current year of \$36,846. Of the allocation, the District used \$ 36,846 to purchase textbooks during the year. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These 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. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a designated portion of fund balance.

Actual expenditures may not exceed the budget on function level, 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 superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. 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 Department of Education.
5. 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.
6. Budgets for the General, Special Revenue, Debt Service and Capital Projects 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 School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

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

NOTE 3. Cash and Temporary Investments

State statutes authorize the investment of the 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, 2010.

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 I 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.

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 until December 31, 2012.

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 District 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.

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

NOTE 3. Cash and Temporary Investments (continued)

<u>Type</u>	<u>First National Bank</u>	<u>Western Bank</u>
General	\$ 5,538,410	\$ 213,485
Total Deposits	5,538,410	213,485
Less: FDIC Coverage	<u>(250,000)</u>	<u>(213,485)</u>
Uninsured Amount	5,288,410	-
50% Collateral requirement	2,644,205	-
Pledged Securities	<u>6,400,369</u>	<u>70,000</u>
(Over) Under collateralized	<u>\$ (3,756,164)</u>	<u>\$ (70,000)</u>
Custodial Credit Risk-Deposits		
Account Balance	\$ 5,751,895	
FDIC Insured	463,485	
Collateral:		
Collateral held by the pledging bank, not in the District's name	6,485,981	
Uninsured and uncollateralized	<u>(1,197,571)</u>	
Total Deposits	<u>\$ 5,751,895</u>	

Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$5,288,410 of the District's bank balance of \$5,751,895 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ (1,181,959)
FDIC Insurance	463,485
Collateral held by pledging bank's trust department not it the District's name	<u>6,470,369</u>
Total	<u>\$ 5,751,895</u>

Reconciliation of Cash and Temporary Investments

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 5,131,764
Cash per Exhibit D-1	172,702
Less Investments in LGIP	(475,927)
Add outstanding checks and other reconciling items	<u>923,356</u>
	<u>\$ 5,751,895</u>

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

NOTE 3. Cash and Temporary Investments (continued)

Custodial Credit Risk- Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for the securities underlying an overnight repurchase agreement, or a joint safekeeping receipt to be issued to the District for at least on hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

As of June 30, 2010, the Districts' investment balances were exposed to custodial credit risk as follows:

Investment in the State Treasurer Local Government

Investment Pool	\$ <u>475,927</u>
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The New MexiGrow Local Governmental Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The Anew Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, In accordance with Sections 6-10-10 I though 6-10-10-P and Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

Interest Rate Risk and Credit Rating- Investment in State Treasurer's LGIP

The District does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The District's investments at June 30, 2010 include the following:

State Treasurer LGIP	AAAm	50-day WAM	\$ <u>475,927</u>
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STATE OF NEW MEXICO
Tularosa Municipal Schools
Notes to the Financial Statements
June 30, 2010

NOTE 4. Accounts Receivable

Accounts receivable as of June 30, 2010, are as follows:

	General Fund	Debt Service Fund	Other Governmental Funds	Total
Property taxes	\$ 917	\$ 38,650	\$ 9,168	\$ 48,735
Due from other governments:				
Food Service	-	-	42,570	42,570
Title I	-	-	78,956	78,956
IDEA B Entitlement	-	-	57,215	57,215
IDEA B Risk Pool	-	-	3,009	3,009
English Language Acquisition	-	-	3,202	3,202
Teacher/Principal Training	-	-	36,192	36,192
Rural & Low Income Schools	-	-	13,152	13,152
Title I Stimulus	-	-	49,509	49,509
IDEA B Entitlement Stimulus	-	-	147,078	147,078
IDEA B Preschool Stimulus	-	-	2,457	2,457
SEG Federal Stimulus	-	-	32,066	32,066
GO Bond Libraries	-	-	8,720	8,720
Gear UP Che	-	-	12,374	12,374
	<u>\$ 917</u>	<u>\$ 38,650</u>	<u>\$ 495,668</u>	<u>\$ 535,235</u>

The above receivables are deemed 100% collectible.

Deferred Revenues

Deferred revenue represents advances on grants which have not been earned at June 30, 2010.

	General Fund	Debt Service	Other Governmental	Total
Property Taxes	\$ 292	\$ 24,519	\$ 5,811	\$ 30,622
Safe & Drug Free Schools	<u>-</u>	<u>-</u>	<u>\$ 348</u>	<u>\$ 348</u>
Total	<u>\$ 292</u>	<u>\$ 24,519</u>	<u>\$ 6,159</u>	<u>\$ 30,970</u>

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

NOTE 5. Accounts Payables

Accounts payable as of June 30, 2010, are as follows:

Payable to suppliers	\$ 247,053
Accrued Salaries and benefits	456,516
Accrued interest	<u>82,321</u>
Total accounts payable and accrued expenses	<u>\$ 785,890</u>

NOTE 6. Interfund Receivables, Payables, and Transfers

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received.

The composition of interfund balances during the year ended June 30, 2010 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 455,450	\$ -
Nonmajor Funds:		
Title I Entitlement	-	78,956
IDEA B Entitlement	-	57,032
IDEA B Risk Pool	-	3,009
English Language Acquisition	-	1,601
Teacher Principal Training	-	36,192
Rural & Low Income Schools	-	13,152
Title I Stimulus	-	49,509
IDEA B Entitlement Stimulus	-	147,078
IDEA B Preschool Stimulus	-	2,457
Indian Ed Formula Grant	-	3,279
SEG State Stimulus	-	32,066
GO Bond Library	-	8,720
Gear Up Che	-	12,374
State Capital Outlay-State	-	10,025
	<u>\$ 455,450</u>	<u>\$ 455,450</u>

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

NOTE 8. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2010 are for governmental activities. The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Bonds outstanding at June 30, 2010, are comprised of the following:

Series	Date of Issue	Original Amount	Interest Rate	Balance
Series 2001	1/1/2001	\$ 310,000	5%	\$ 75,000
Series 2001	10/15/2001	\$ 435,000	4%	\$ 235,000
Series 2002	10/1/2002	\$ 345,000	4%	\$ 345,000
Series 2003	9/15/2003	\$ 400,000	3%	\$ 190,000
Series 2004	9/1/2004	\$ 345,000	3%	\$ 295,000
Series 2005b	9/1/2005	\$ 255,000	4%	\$ 190,000
Series 2005b	3/15/2006	\$ 310,000	4%	\$ 270,000
Series 2006	10/15/2006	\$ 340,000	4%	\$ 340,000
Series 2007	7/1/2007	\$ 365,000	4.125%	\$ 365,000
Series 2008	11/1/3008	\$ 500,000	2.75-4.1%	\$ 480,000
Series 2009	1/13/09	\$ 485,000	5%	\$ 485,000
Series 9/2009	9/15/2009	\$ 770,000	3.65-5.65%	\$ 770,000
Series 5/1/10	5/10/2010	\$ 525,000	2.85-3.55%	\$ 525,000
Total				\$4,565,000

The following is a summary of the long-term debt and the activity for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
General obligation bonds					
Series 1998	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2000	-	-	-	-	-
Series 2001	110,000	-	35,000	75,000	35,000
Series 2001	345,000	-	110,000	235,000	115,000
Series 2002	345,000	-	-	345,000	100,000
Series 2003	235,000	-	45,000	190,000	45,000
Series 2004	345,000	-	50,000	295,000	75,000
Series 2005b	215,000	-	25,000	190,000	25,000
Series 2005b	310,000	-	40,000	270,000	25,000
Series 2006	340,000	-	-	340,000	-
Series 2007	365,000	-	-	365,000	-
Series 2008	490,000	-	10,000	480,000	10,000
Series 2009	485,000	-	-	485,000	-
Series 9/2009	-	770,000	-	770,000	-
Series 5/2010	-	525,000	-	525,000	-
Compensated Absences	22,898	23,537	22,898	23,537	23,537
	\$ 3,607,898	\$ 1,318,537	\$ 337,898	\$ 4,588,537	\$ 453,537

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

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the General Obligation Bonds as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	430,000	191,671	621,671
2012	590,000	158,218	748,218
2013	435,000	136,816	571,816
2014	560,000	100,941	660,941
2015	830,000	87,028	917,028
2016-2020	1,000,000	98,087	1,098,087
2019-2023	720,000	36,620	756,620
	<u>\$ 4,565,000</u>	<u>\$ 809,381</u>	<u>\$ 5,374,381</u>

The general fund is typically used to liquidate long-term liabilities other than debt. The debt service fund liquidates general obligation bonds.

Reconciliation of Long-Term Debt to the Statement of Net Assets

Total Long term debt	\$ 4,565,000
Net Issue Costs/Premium/Discounts on Bond Issues	(329,016)
	93,030
Accumulated Amortization	<u>\$ 4,329,014</u>

NOTE 9. Risk Management

The District is a member of the New Mexico Public School 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 Securities, which include a \$750 deductible.

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, 2010, there have been no claims that have exceeded insurance coverage.

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

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

Indian Ed Formula Grant	\$ (3,279)
SEG State Stimulus	\$ (7,861)
Special Capital Outlay-State	\$ (103,116)

Deficit Fund Balances will be funded by general fund transfers or additional grant funds.

B. Excess of expenditures over appropriations by fund and function.

None

NOTE 11. ERA Pension Plan

Plan Description. Substantially all of Tularosa Municipal Schools' full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, P. O. Box 26129, Santa Fe, New Mexico 87502.

Funding Policy. Plan members are required to contribute 9.4% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's total contributions to ERA for the years ended June 30, 2010, 2009, and 2008 were \$1,211,488, \$1,132,412, and \$1,093,149, respectively.

NOTE 12. Post-Employment Benefits

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into Retiree Health Care Fund and by co-payments or out-of-pocket payments to eligible retirees. Monies flow to the Retiree Health Care Fund on pay-as-you-go basis from eligible employers and eligible retirees.

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. 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 Retiree Health Care Act on the person's behalf unless that person retired before the employer's NMRHCA 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; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plan of coverage.

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

NOTE 12. Post-Employment Benefits

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issued a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., NE, Suite 104, Albuquerque, New Mexico 87109.

For the years ended June 30, 2010, 2009, and 2008, the District remitted \$77,659, \$75,861, and \$76,748 in employer contributions and \$ 38,829, \$40,742, and \$38,382 in employee contributions, respectively.

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 School 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. Surety Bond

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE 15. Memorandum of Understanding/Joint Powers Agreement

REC

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Tularosa Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school gives notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District.

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

NOTE 15. Memorandum of Understanding/Joint Powers Agreement (continued)

Public School Facilities Authority

Purpose: To complete the public school capital outlay projects and correction of existing health and safety deficiencies that have been identified, verified, prioritized, and will be completed, pursuant to the provision of Section 22-24-2 through 22-24-5 NMSA 1978 and in accordance with rules adopted by the PSCOC.

Participants: Public School Facilities Authority and Tularosa Municipal Schools

Responsible Party for Operation and Audit: Tularosa Municipal Schools

Beginning and Ending Date of Agreement: December 15, 2006 until June 30, 2010.

Total Estimated Amount of Project and Actual Amount Contributed: Unknown

NOTE 16. Subsequent Accounting Standard Pronouncements

In April 2009, the Governmental Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 30, 2010. Early implementation is encouraged. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The District is analyzing the effect that this statement will have on its financial statements, and currently believes it will have no significant effect on the financial statements of the upcoming year.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
NONMAJOR GOVENMENTAL FUNDS
SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Food Services – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Services Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. The Non-Federal funds consist of income derived from Snack-Bar facilities located in the District. Authority for the creation of this fund is NMSA 22-13-13.

Athletics - 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.

Non-Instructional Support - 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 – This fund’s major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. 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 criteria that identify a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the 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 – The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

IDEA-B Preschool - 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 - 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.

Title V Part A Innovative Ed Pro Strategies – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. Authority for creation of this fund is Chapter II of Title I of Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

English Language Acquisition – The purpose of this fund is to give financial support to local school districts with high concentrations of immigrant children. Authority for the creation of this fund is Title III, Part A of ESEA, as amended by NO Child Left Behind Act, P.L. 107-110.

Teacher/Principal Training – The purpose of this fund is 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. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
NONMAJOR GOVENMENTAL FUNDS
SPECIAL REVENUE FUNDS

Safe and Drug Free Schools and Community – The purpose of this fund is to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. The Authority for the creation of this fund is ESEA 1965, Title IV, Part A, as amended, 20 USC 71112-7143.

Rural and Low Income Schools – The purpose of this fund is to account for monies to rural schools to enhance the education program in technology, career readiness, and summer school and after school tutoring programs. The authority for this program is under CFDA 84.3580, Title II.

Title I Stimulus – The purpose of this fund is to provide supplemental funding for the Title I funding. The authority for this program is under CFDA 84.101 and the American Recovery and Reinvestment Act of 2009.

IDEA B Entitlement Federal Stimulus – The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. The Authority for this program is the American Recovery and Reinvestment Act of 2009.

IDEA B Preschool Federal Stimulus – 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. The Authority for this program is the American Recovery and Reinvestment Act of 2009.

Impact Aid Special Education – The purpose of these grants are to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3 (2a) and 3 (b)). The authorization for this fund is PL 81-874.

Impact Aid Education Fund – The purpose of these grants are to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3 (2a) and 3 (b)). The authorization for this fund is PL 81-874.

Title XIX Medicaid – The objective of this program is to provide federal funds for the implementation of the Medical Assistance Program Medicaid providing payments for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. Authority for creation of the Title XIX Medical Assistance Program is the Medicaid Title XIX of the Social Security Act, as amended, (42 USC 1396, et seq.)

Indian Ed Formula Grant – The purpose of these grants are to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3 (2a) and 3 (b)). The authorization for this fund is PL 81-874.

R.E.A.D. (Literacy through Libraries) – The purpose of this fund is to account for monies to rural schools to enhance the education program in technology, career readiness, and summer school and after school tutoring programs. The authority for this program is under CFDA 84.3580, Title II.

(SEG) State Stimulus – The purpose of this fund is to provide supplemental funding for the Operation of Schools. The authority for this program is under CFDA 84.394 and the American Recovery and Reinvestment Act of 2009.

Dual Credit(PED)– The purpose of this fund is to provide college credit for courses provided by high schools that meet the requirements.

GO Bond Libraries– The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C(3).

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
NONMAJOR GOVENMENTAL FUNDS

Technology for Education PED – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Incentives for School Improvement PED– The purpose of this state grant is to provide funds for use in providing student educational trips, automation of the District’s libraries, and other educational materials. Authority for creation of this fund is Laws of 1997, Chapter 32.

Beginning Teacher Mentoring – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Public Education Department. Authority for creation of this fund is NMSA 22-2-8-10.

Breakfast for Elementary Students - The purpose of this program is to account for revenues and expenditures used to administer the breakfast program to elementary students. The fund was created by grant provisions.

Library Book Allocation- The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C(3).

Gear Up-CHE – The objective of this program to help low income, first generation students prepare for and succeed in post secondary education. This fund was created by the Higher Education Department and NM Gear up.

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**STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
NONMAJOR GOVENMENTAL FUNDS**

CAPITAL PROJECTS 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 four separate funds classified as non-major Capital Projects Funds as follows:

Special Capital Outlay State – The District was selected to receive special capital outlay appropriations. The appropriations are funded by State Severance Tax Bonds, the State General Fund, or the State Highway Division.

Capital Improvements SB-9 – This fund is used to account for expenditures of property taxes levied and stat matching funds restricted to maintenance and capital improvement projects as adopted by school board resolution. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

Public Schools Capital Outlay 20% – The purpose of this fund is to account for resources received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities.

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

ASSETS	Special Revenue Funds		
	Food Service	Athletics	Non-Instructional Support
<i>Current Assets</i>			
Cash and cash equivalents	\$ 61,724	\$ 8,936	\$ 31,233
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	42,570	-	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	10,720	-	-
<i>Total assets</i>	\$ 115,014	\$ 8,936	\$ 31,233
 LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ 91	\$ 6	\$ 1,480
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	-
Deferred revenue	-	-	-
<i>Total liabilities</i>	91	6	1,480
 <i>Fund Balances</i>			
Reserved:			
Reserved for inventory	10,720	-	-
Reserved for special revenue funds	104,203	8,930	29,753
Reserved for capital projects funds	-	-	-
Reserved for debt service funds	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	114,923	8,930	29,753
<i>Total liabilities and fund balances</i>	\$ 115,014	\$ 8,936	\$ 31,233

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

Title I	IDEA-B Entitlement	IDEA-B Preschool
\$ -	\$ -	\$ -
-	-	-
78,956	57,215	-
-	-	-
-	-	-
-	-	-
<u>\$ 78,956</u>	<u>\$ 57,215</u>	<u>\$ -</u>
\$ -	\$ 183	\$ -
-	-	-
78,956	57,032	-
-	-	-
<u>78,956</u>	<u>57,215</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>78,956</u>	\$ <u>57,215</u>	\$ <u>-</u>

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue Funds		
	IDEA-B Risk Pool	Title V Part A Innovative Ed Pro Strategies	English Language Acquisition
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	3,009	-	3,202
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 3,009</u>	<u>\$ -</u>	<u>\$ 3,202</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	3,009	-	1,601
Deferred revenue	-	-	-
<i>Total liabilities</i>	<u>3,009</u>	<u>-</u>	<u>1,601</u>
<i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for special revenue funds	-	-	1,601
Reserved for capital projects funds	-	-	-
Reserved for debt service funds	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>1,601</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,009</u>	<u>\$ -</u>	<u>\$ 3,202</u>

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

Teacher/ Principal Training	Safe & Drug Free Schools & Community	Rural & Low Income Schools
\$ -	\$ 348	\$ -
-	-	-
36,192	-	13,152
-	-	-
-	-	-
-	-	-
<u>\$ 36,192</u>	<u>\$ 348</u>	<u>\$ 13,152</u>

\$ -	\$ -	\$ -
-	-	-
36,192	-	13,152
-	348	-
<u>36,192</u>	<u>348</u>	<u>13,152</u>

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 36,192</u>	<u>\$ 348</u>	<u>\$ 13,152</u>

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue Funds		
	Title I Stimulus	IDEA-B Entitlement Federal Stimulus	IDEA-B Preschool Federal Stimulus
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	49,509	147,078	2,457
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 49,509</u>	<u>\$ 147,078</u>	<u>\$ 2,457</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	49,509	147,078	2,457
Deferred revenue	-	-	-
<i>Total liabilities</i>	<u>49,509</u>	<u>147,078</u>	<u>2,457</u>
<i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for special revenue funds	-	-	-
Reserved for capital projects funds	-	-	-
Reserved for debt service funds	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 49,509</u>	<u>\$ 147,078</u>	<u>\$ 2,457</u>

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

ASSETS	Special Revenue Funds		
	Indian Ed Formula Grant	R.E.A.D. Literacy through Libraries	SEG Federal Stimulus
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	32,066
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
<i>Total assets</i>	\$ -	\$ -	\$ 32,066
 LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 7,861
Accrued salaries and benefits	-	-	-
Interfund payable	3,279	-	32,066
Deferred revenue	-	-	-
<i>Total liabilities</i>	3,279	-	39,927
 <i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for special revenue funds	(3,279)	-	(7,861)
Reserved for capital projects funds	-	-	-
Reserved for debt service funds	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	(3,279)	-	(7,861)
<i>Total liabilities and fund balances</i>	\$ -	\$ -	\$ 32,066

Dual Credit PED	GO Bond Libraries	Technology for Education PED
\$ -	\$ -	\$ 626
-	-	-
-	8,720	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>8,720</u>	<u>626</u>
<u>\$ -</u>	<u>\$ 8,720</u>	<u>\$ 626</u>
\$ -	\$ -	\$ -
-	-	-
-	8,720	-
-	-	-
<u>-</u>	<u>8,720</u>	<u>-</u>
<u>-</u>	<u>8,720</u>	<u>-</u>
-	-	-
-	-	626
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>626</u>
<u>\$ -</u>	<u>\$ 8,720</u>	<u>\$ 626</u>

	Special Revenue Funds		
	Incentive for School Improvement PED	Beginning Teacher Mentoring	Breakfast for Elementary Students
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 1,945	\$ 11,068	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other government	-	-	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>\$ 1,945</u>	<u>\$ 11,068</u>	<u>-</u>

LIABILITIES AND FUND BALANCES

<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	-
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	-
Deferred revenue	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	-
Reserved for special revenue	1,945	11,068	-
Reserved for capital projects	-	-	-
Reserved for debt service fund	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	<u>1,945</u>	<u>11,068</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,945</u>	<u>\$ 11,068</u>	<u>-</u>

Library Book Allocation	Gear-up CHE	Special Capital Outlay - State
\$ -	\$ -	\$ -
-	-	-
-	12,374	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>12,374</u>	<u>-</u>
\$ <u>-</u>	\$ <u>12,374</u>	\$ <u>-</u>
\$ -	\$ -	\$ 93,091
-	-	-
-	12,374	10,025
-	-	-
<u>-</u>	<u>12,374</u>	<u>103,116</u>
-	-	-
-	-	(103,116)
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>(103,116)</u>
\$ <u>-</u>	\$ <u>12,374</u>	\$ <u>-</u>

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

Statement A-1
(Page 6 of 6)

	Capital Project Funds		
ASSETS	Capital Improvements SB-9	Public School Capital Outlay 20%	Total Nonmajor Governmental Funds
<i>Current Assets</i>			
Cash and cash equivalents	\$ 236,852	\$ 93,326	\$ 639,290
Investments	-	49,556	49,556
Accounts receivable			
Taxes	9,168	-	9,168
Due from other government	-	-	486,500
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	10,720
<i>Total assets</i>	\$ 246,020	\$ 142,882	\$ 1,195,234
 LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ 95,210	\$ 509	\$ 198,589
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	455,450
Deferred revenue	5,811	-	6,159
<i>Total liabilities</i>	101,021	509	660,198
<i>Fund Balances</i>			
Reserved:			
Reserved for inventory	-	-	10,720
Reserved for special revenue	-	-	340,060
Reserved for capital projects	144,999	142,373	184,256
Reserved for debt service fund	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
<i>Total fund balances</i>	144,999	142,373	535,036
<i>Total liabilities and fund balances</i>	\$ 246,020	\$ 142,882	\$ 1,195,234

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Food Services	Athletics	Non-Instructional Support
<i>Revenues</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	60	26	-
Food services	36,579	-	-
District activities	-	33,441	81,776
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	374,299	-	-
Department of Interior	-	-	-
Other items	23,551	-	-
<i>Total revenues</i>	<u>434,489</u>	<u>33,467</u>	<u>81,776</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	24,540	71,124
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	437,430	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>437,430</u>	<u>24,540</u>	<u>71,124</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,941)</u>	<u>8,927</u>	<u>10,652</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(2,941)	8,927	10,652
<i>Fund balances - beginning of year</i>	<u>117,864</u>	<u>3</u>	<u>19,101</u>
<i>Fund balances - end of year</i>	<u>\$ 114,923</u>	<u>\$ 8,930</u>	<u>\$ 29,753</u>

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	Special Revenue Funds		
	IDEA-B Risk Pool	Title V Part A Innovative Ed Pro Strategies	English Language Acquisition
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	3,009	264	3,202
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>3,009</u>	<u>264</u>	<u>3,202</u>
<i>Expenditures:</i>			
Current:			
Instruction	2,000	264	1,565
Support Services			
Students	1,009	-	-
Instruction	-	-	-
General Administration	-	-	36
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>3,009</u>	<u>264</u>	<u>1,601</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,601</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	1,601
<i>Fund balances - beginning of year</i>	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,601</u>

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURE:
AND CHANGES IN FUND BALANCE:
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Title I Stimulus	IDEA-B Entitlement Stimulus	IDEA-B Preschool Stimulus
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	271,449	158,009	3,497
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>271,449</u>	<u>158,009</u>	<u>3,497</u>
<i>Expenditures:</i>			
Current:			
Instruction	251,162	100,002	3,497
Support Services			
Students	-	58,007	-
Instruction	6,908	-	-
General Administration	7,244	-	-
School Administration	6,135	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>271,449</u>	<u>158,009</u>	<u>3,497</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Impact Aid Special Education	Impact Aid Education	Title XIX Medicaid
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
10,800	55,320	36,000
-	-	-
-	-	-
<u>10,800</u>	<u>55,320</u>	<u>36,000</u>
13,957	54,051	-
158	24,365	-
-	-	-
-	-	-
-	10,541	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>14,115</u>	<u>88,957</u>	<u>-</u>
<u>(3,315)</u>	<u>(33,637)</u>	<u>36,000</u>
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
(3,315)	(33,637)	36,000
6,157	112,869	75,000
<u>\$ 2,842</u>	<u>\$ 79,232</u>	<u>\$ 111,000</u>

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Indian Ed Formula Grant	R.E.A.D. Literacy through Libraries	SEG Federal Stimulus
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthro	-	-	-
Restricted Grants	4,369	4,368	674,638
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>4,369</u>	<u>4,368</u>	<u>674,638</u>
<i>Expenditures:</i>			
Current:			
Instruction	7,479	-	76,941
Support Services			
Students	-	-	128,200
Instruction	-	4,368	96,991
General Administration	169	-	124,551
School Administration	-	-	9,203
Central Services	-	-	27,420
Operation & maintenance	-	-	212,181
Student transportation	-	-	7,012
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>7,648</u>	<u>4,368</u>	<u>682,499</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,279)</u>	<u>-</u>	<u>(7,861)</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(3,279)</u>	<u>-</u>	<u>(7,861)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (3,279)</u>	<u>\$ -</u>	<u>\$ (7,861)</u>

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

Dual Credit PED	GO Bond Libraries	Technology for Education PED
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,000	13,440	6,605
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,000</u>	<u>13,440</u>	<u>6,605</u>
2,000	-	4,214
-	-	-
-	13,440	10,558
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,000</u>	<u>13,440</u>	<u>14,772</u>
-	-	(8,167)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	(8,167)
-	-	8,793
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626</u>

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	Special Revenue Funds		
	Incentive for School Improvement PED	Beginning Teacher Mentoring	Breakfast for Elementary Students
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	4,271	34,146
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passth	-	-	-
Restricted Grants	-	-	-
Restricted -state passthro	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,271</u>	<u>34,146</u>
<i>Expenditures:</i>			
Current:			
Instruction	20,245	1,735	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenanc	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operator	-	-	34,146
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>20,245</u>	<u>1,735</u>	<u>34,146</u>
<i>Excess (deficiency) of revenue over expenditures</i>	<u>(20,245)</u>	<u>2,536</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(20,245)	2,536	-
<i>Fund balances - beginning of</i>	<u>22,190</u>	<u>8,532</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,945</u>	<u>\$ 11,068</u>	<u>\$ -</u>

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

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOL
COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

Statement A-2
(Page 6 of 6)

	Capital Project Funds		Total Nonmajor Governmental Funds
	Capital Improvements SB-9	Public School Capital Outlay 20%	
	\$	\$	
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	150,880	-	150,880
Local sources			
Tuition	-	-	-
Investment income	140	246	472
Food services	-	-	36,579
District activities	-	-	115,217
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	8,718,914
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthro	-	-	-
Restricted Grants	-	-	785,495
Restricted -state passthrough	-	-	1,717,076
Department of Interior	-	-	-
Other items	-	-	23,551
<i>Total revenues</i>	<u>151,020</u>	<u>246</u>	<u>11,548,184</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	1,399,431
Support Services			
Students	-	-	314,349
Instruction	-	-	172,845
General Administration	1,513	-	147,268
School Administration	-	-	29,549
Central Services	-	-	37,961
Operation & maintenance	232,000	15,639	578,436
Student transportation	-	-	7,012
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	471,576
Capital outlay	17,653	-	8,631,105
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>251,166</u>	<u>15,639</u>	<u>11,789,532</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(100,146)</u>	<u>(15,393)</u>	<u>(241,348)</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(100,146)	(15,393)	(241,348)
<i>Fund balances - beginning of year</i>	<u>245,145</u>	<u>157,766</u>	<u>776,384</u>
<i>Fund balances - end of year</i>	<u>\$ 144,999</u>	<u>\$ 142,373</u>	<u>\$ 535,036</u>

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

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
FOOD SERVICE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	36,579	\$ 36,579
State sources	-	-	-	-
Federal sources	-	-	331,729	331,729
Interest	-	-	60	60
<i>Total revenues</i>	-	-	368,368	368,368
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	489,460	501,883	413,627	88,256
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	489,460	501,883	413,627	88,256
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	(489,460)	(501,883)	(45,259)	456,624
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	489,460	501,883	-	(501,883)
<i>Total other financing sources (uses)</i>	489,460	501,883	-	(501,883)
<i>Net change in fund balances</i>	-	-	(45,259)	(45,259)
<i>Cash balances - beginning of year</i>	-	-	106,983	106,983
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 61,724	\$ 61,724
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (45,259)	
Adjustment to revenue for accruals and other deferrals			42,409	
Adjustment to expenditures for payables, prepaids and other accruals			(91)	
Net change in fund balance (GAAP basis)			\$ (2,941)	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
ATHLETICS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	33,441	\$ 33,441
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	26	26
<i>Total revenues</i>	-	-	33,467	33,467
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	32,922	29,897	24,534	5,363
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	32,922	29,897	24,534	5,363
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(32,922)	(29,897)	8,933	38,830
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	32,922	29,897	-	(29,897)
<i>Total other financing sources (uses)</i>	32,922	29,897	-	(29,897)
<i>Net change in fund balances</i>	-	-	8,933	8,933
<i>Cash balances - beginning of year</i>	-	-	3	3
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 8,936	\$ 8,936
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 8,933	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(6)	
Net change in fund balance (GAAP basis)			\$ 8,927	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
NON-INSTRUCTIONAL SUPPORT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ 81,776	\$ 81,776
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	81,776	81,776
<i>Expenditures:</i>				
Current:				
Instruction	75,268	75,268	71,392	3,876
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	75,268	75,268	71,392	3,876
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(75,268)	(75,268)	10,384	85,652
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	75,268	75,268	-	(75,268)
<i>Total other financing sources (uses)</i>	75,268	75,268	-	(75,268)
<i>Net change in fund balances</i>	-	-	10,384	10,384
<i>Cash balances - beginning of year</i>	-	-	20,849	20,849
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 31,233	\$ 31,233
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 10,384	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			268	
Net change in fund balance (GAAP basis)			\$ 10,652	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
TITLE I SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	357,416	357,416
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>357,416</u>	<u>357,416</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	627,402	751,077	367,218	383,859
Support Services				
Students	2,933	4,933	-	4,933
Instruction	117,241	131,166	37,348	93,818
General Administration	23,845	30,438	9,495	20,943
School Administration	10,000	14,250	112	14,138
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>781,421</u>	<u>931,864</u>	<u>414,173</u>	<u>517,691</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>(781,421)</u>	<u>(931,864)</u>	<u>(56,757)</u>	<u>875,107</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	781,421	931,864	-	(931,864)
<i>Total other financing sources (uses)</i>	<u>781,421</u>	<u>931,864</u>	<u>-</u>	<u>(931,864)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(56,757)</u>	<u>(56,757)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(22,199)</u>	<u>(22,199)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,956)</u>	<u>\$ (78,956)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (56,757)	
Adjustment to revenue for accruals and other deferrals			56,757	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
IDEA B ENTITLEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	316,299	316,299
Interest	-	-	-	-
<i>Total revenues</i>	-	-	316,299	316,299
<i>Expenditures:</i>				
Current:				
Instruction	193,295	221,453	193,366	28,087
Support Services				
Students	97,531	116,461	93,470	22,991
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	290,826	337,914	286,836	51,078
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(290,826)	(337,914)	29,463	367,377
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	290,826	337,914	-	(337,914)
<i>Total other financing sources (uses)</i>	290,826	337,914	-	(337,914)
<i>Net change in fund balances</i>	-	-	29,463	29,463
<i>Cash balances - beginning of year</i>	-	-	(86,495)	(86,495)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (57,032)	\$ (57,032)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 29,463	
Adjustment to revenue for accruals and other deferrals			(29,280)	
Adjustment to expenditures for payables, prepaids and other accruals			(183)	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
IDEA B PRESCHOOL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	10,278	10,278
Interest	-	-	-	-
<i>Total revenues</i>	-	-	10,278	10,278
<i>Expenditures:</i>				
Current:				
Instruction	9,913	9,818	9,791	27
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	9,913	9,818	9,791	27
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(9,913)	(9,818)	487	10,305
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	9,913	9,818	-	(9,818)
<i>Total other financing sources (uses)</i>	9,913	9,818	-	(9,818)
<i>Net change in fund balances</i>	-	-	487	487
<i>Cash balances - beginning of year</i>	-	-	(487)	(487)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 487	
Adjustment to revenue for accruals and other deferrals			(487)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
IDEA B RISK POOL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	2,000	2,000	-
Support Services				
Students	-	1,017	1,009	8
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	3,017	3,009	8
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(3,017)	(3,009)	8
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	3,017	-	(3,017)
<i>Total other financing sources (uses)</i>	-	3,017	-	(3,017)
<i>Net change in fund balances</i>	-	-	(3,009)	(3,009)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (3,009)	\$ (3,009)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (3,009)	
Adjustment to revenue for accruals and other deferrals			3,009	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO

Statement A-10

TULAROSA MUNICIPAL SCHOOLS

TITLE V PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	264	264
Interest	-	-	-	-
<i>Total revenues</i>	-	-	264	264
<i>Expenditures:</i>				
Current:				
Instruction	-	2,605	264	2,341
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	60	-	60
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	2,665	264	2,401
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(2,665)	-	2,665
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	2,665	-	(2,665)
<i>Total other financing sources (uses)</i>	-	2,665	-	(2,665)
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Statement A-11

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,984	1,565	4,419
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	136	36	100
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	6,120	1,601	4,519
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(6,120)	(1,601)	4,519
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	6,120	-	(6,120)
<i>Total other financing sources (uses)</i>	-	6,120	-	(6,120)
<i>Net change in fund balances</i>	-	-	(1,601)	(1,601)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (1,601)	\$ (1,601)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (1,601)	
Adjustment to revenue for accruals and other deferrals			3,202	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ 1,601	

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

STATE OF NEW MEXICO

Statement A-12

TULAROSA MUNICIPAL SCHOOLS

TEACHER/PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	173,823	173,823
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>173,823</u>	<u>173,823</u>
<i>Expenditures:</i>				
Current:				
Instruction	161,319	181,319	165,460	15,859
Support Services				
Students	9,487	-	-	-
Instruction	9,487	-	-	-
General Administration	3,791	4,284	3,865	419
School Administration	9,487	7,419	4,484	2,935
Central Services	9,487	-	-	-
Operation & maintenance of plant	9,487	-	-	-
Student transportation	9,487	-	-	-
Other Support Services	9,487	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>231,519</u>	<u>193,022</u>	<u>173,809</u>	<u>19,213</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(231,519)</u>	<u>(193,022)</u>	<u>14</u>	<u>193,036</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	231,519	193,022	-	(193,022)
<i>Total other financing sources (uses)</i>	<u>231,519</u>	<u>193,022</u>	<u>-</u>	<u>(193,022)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(36,206)</u>	<u>(36,206)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,192)</u>	<u>\$ (36,192)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 14	
Adjustment to revenue for accruals and other deferrals			(14)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement A-13

TULAROSA MUNICIPAL SCHOOLS

SAFE AND DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	6,081	6,081
Interest	-	-	-	-
<i>Total revenues</i>	-	-	6,081	6,081
<i>Expenditures:</i>				
Current:				
Instruction	884	4,064	2,198	1,866
Support Services				
Students	6,356	11,782	2,905	8,877
Instruction	7,114	-	-	-
General Administration	178	393	121	272
School Administration	7,114	1,440	977	463
Central Services	7,114	-	-	-
Operation & maintenance of plant	7,114	-	-	-
Student transportation	7,114	-	-	-
Other Support Services	7,114	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	50,102	17,679	6,201	11,478
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(50,102)	(17,679)	(120)	17,559
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	50,102	17,679	-	(17,679)
<i>Total other financing sources (uses)</i>	50,102	17,679	-	(17,679)
<i>Net change in fund balances</i>	-	-	(120)	(120)
<i>Cash balances - beginning of year</i>	-	-	468	468
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 348	\$ 348
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (120)	
Adjustment to revenue for accruals and other deferrals			120	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO

Statement A-14

TULAROSA MUNICIPAL SCHOOLS
RURAL & LOW INCOME SCHOOLS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	14,791	14,791
Interest	-	-	-	-
<i>Total revenues</i>	-	-	14,791	14,791
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	13,820	12,080	1,740
<i>Support Services</i>				
Students	-	-	-	-
Instruction	-	1,845	-	1,845
General Administration	-	378	274	104
School Administration	-	1,000	-	1,000
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
<i>Operation of Non-instructional Services</i>				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	17,043	12,354	4,689
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(17,043)	2,437	19,480
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	17,043	-	(17,043)
<i>Total other financing sources (uses)</i>	-	17,043	-	(17,043)
<i>Net change in fund balances</i>	-	-	2,437	2,437
<i>Cash balances - beginning of year</i>	-	-	(15,589)	(15,589)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (13,152)	\$ (13,152)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 2,437	
Adjustment to revenue for accruals and other deferrals			(2,437)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
TITLE I STIMULUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Statement A-15

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	247,940	247,940
Interest	-	-	-	-
<i>Total revenues</i>	-	-	247,940	247,940
<i>Expenditures:</i>				
Current:				
Instruction	268,689	510,955	251,162	259,793
Support Services				
Students	27,034	-	-	-
Instruction	27,034	20,919	6,908	14,011
General Administration	7,264	13,814	7,244	6,570
School Administration	27,034	16,677	6,135	10,542
Central Services	27,034	-	-	-
Operation & maintenance of plant	27,034	-	-	-
Student transportation	27,034	-	-	-
Other Support Services	27,034	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	465,191	562,365	271,449	290,916
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(465,191)	(562,365)	(23,509)	538,856
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	465,191	562,365	-	(562,365)
<i>Total other financing sources (uses)</i>	465,191	562,365	-	(562,365)
<i>Net change in fund balances</i>	-	-	(23,509)	(23,509)
<i>Cash balances - beginning of year</i>	-	-	(26,000)	(26,000)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (49,509)	\$ (49,509)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (23,509)	
Adjustment to revenue for accruals and other deferrals			23,509	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO

Statement A-16

TULAROSA MUNICIPAL SCHOOLS

IDEA-B ENTITLEMENT STIMULUS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	10,931	10,931
Interest	-	-	-	-
<i>Total revenues</i>	-	-	10,931	10,931
<i>Expenditures:</i>				
Current:				
Instruction	100,000	100,000	100,000	-
Support Services				
Students	53,647	58,009	58,009	-
Instruction	53,647	-	-	-
General Administration	-	-	-	-
School Administration	53,647	-	-	-
Central Services	53,647	-	-	-
Operation & maintenance of plant	53,647	-	-	-
Student transportation	53,647	-	-	-
Other Support Services	53,647	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	475,529	158,009	158,009	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(475,529)	(158,009)	(147,078)	10,931
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	475,529	158,009	-	(158,009)
<i>Total other financing sources (uses)</i>	475,529	158,009	-	(158,009)
<i>Net change in fund balances</i>	-	-	(147,078)	(147,078)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (147,078)	\$ (147,078)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (147,078)	
Adjustment to revenue for accruals and other deferrals			147,078	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO

Statement A-17

TULAROSA MUNICIPAL SCHOOLS
 IDEA-B PRESCHOOL STIMULUS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	1,040	1,040
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,040</u>	<u>1,040</u>
<i>Expenditures:</i>				
Current:				
Instruction	5,750	5,972	3,497	2,475
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,750</u>	<u>5,972</u>	<u>3,497</u>	<u>2,475</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,750)</u>	<u>(5,972)</u>	<u>(2,457)</u>	<u>3,515</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	5,750	5,972	-	(5,972)
<i>Total other financing sources (uses)</i>	<u>5,750</u>	<u>5,972</u>	<u>-</u>	<u>(5,972)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,457)</u>	<u>(2,457)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,457)</u>	<u>\$ (2,457)</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (2,457)	
Adjustment to revenue for accruals and other deferrals			2,457	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement A-18

TULAROSA MUNICIPAL SCHOOLS
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	10,800	10,800
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>10,800</u>	<u>10,800</u>
<i>Expenditures:</i>				
Current:				
Instruction	20,220	21,757	13,957	7,800
Support Services				
Students	-	1,000	-	1,000
Instruction	-	500	-	500
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,220</u>	<u>23,257</u>	<u>13,957</u>	<u>9,300</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(20,220)</u>	<u>(23,257)</u>	<u>(3,157)</u>	<u>20,100</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	20,220	23,257	-	(23,257)
<i>Total other financing sources (uses)</i>	<u>20,220</u>	<u>23,257</u>	<u>-</u>	<u>(23,257)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,157)</u>	<u>(3,157)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,157</u>	<u>6,157</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (3,157)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(158)	
Net change in fund balance (GAAP basis)			<u>\$ (3,315)</u>	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
IMPACT AID SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Statement A-19

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	55,320	55,320
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>55,320</u>	<u>55,320</u>
<i>Expenditures:</i>				
Current:				
Instruction	117,524	137,782	54,051	83,731
Support Services				
Students	39,427	27,092	24,365	2,727
Instruction	39,427	-	-	-
General Administration	-	-	-	-
School Administration	39,427	-	-	-
Central Services	39,427	12,335	10,541	1,794
Operation & maintenance of plant	39,427	-	-	-
Student transportation	39,427	-	-	-
Other Support Services	39,427	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>393,513</u>	<u>177,209</u>	<u>88,957</u>	<u>88,252</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(393,513)</u>	<u>(177,209)</u>	<u>(33,637)</u>	<u>143,572</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	393,513	177,209	-	(177,209)
<i>Total other financing sources (uses)</i>	<u>393,513</u>	<u>177,209</u>	<u>-</u>	<u>(177,209)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(33,637)</u>	<u>(33,637)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>112,869</u>	<u>112,869</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,232</u>	<u>\$ 79,232</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (33,637)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (33,637)</u>	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
TITLE XIX MEDICAID SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	36,000	36,000
Interest	-	-	-	-
<i>Total revenues</i>	-	-	36,000	36,000
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	36,000	36,000
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	36,000	36,000
<i>Cash balances - beginning of year</i>	-	-	75,000	75,000
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 111,000	\$ 111,000
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 36,000	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ 36,000	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Statement A-21

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	4,369	4,369
Interest	-	-	-	-
<i>Total revenues</i>	-	-	4,369	4,369
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	23,385	7,479	15,906
<i>Support Services</i>				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	531	169	362
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
<i>Operation of Non-instructional Services</i>				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	23,916	7,648	16,268
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(23,916)	(3,279)	20,637
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	23,916	-	(23,916)
<i>Total other financing sources (uses)</i>	-	23,916	-	(23,916)
<i>Net change in fund balances</i>	-	-	(3,279)	(3,279)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (3,279)	\$ (3,279)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (3,279)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ (3,279)	

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

STATE OF NEW MEXICO

Statement A-22

TULAROSA MUNICIPAL SCHOOLS

R.E.A.D. LITERACY THROUGH LIBRARIES SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	4,368	4,368
Interest	-	-	-	-
<i>Total revenues</i>	-	-	4,368	4,368
<i>Expenditures:</i>				
Current:				
Instruction	-	27,448	-	27,448
Support Services				
Students	-	-	-	-
Instruction	-	29,622	4,368	25,254
General Administration	-	1,295	-	1,295
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	58,365	4,368	53,997
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(58,365)	-	58,365
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	58,365	-	(58,365)
<i>Total other financing sources (uses)</i>	-	58,365	-	(58,365)
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO

Statement A-23

TULAROSA MUNICIPAL SCHOOLS
 SEG FEDERAL STIMULUS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	642,572	642,572
Interest	-	-	-	-
<i>Total revenues</i>	-	-	642,572	642,572
<i>Expenditures:</i>				
Current:				
Instruction	294,247	76,947	76,947	-
Support Services				
Students	240,300	128,200	128,200	-
Instruction	240,300	96,989	96,989	-
General Administration	29,700	124,550	124,550	-
School Administration	240,300	9,200	9,200	-
Central Services	240,300	27,420	27,420	-
Operation & maintenance of plant	240,300	204,320	204,320	-
Student transportation	240,300	7,012	7,012	-
Other Support Services	240,300	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	2,006,047	674,638	674,638	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(2,006,047)	(674,638)	(32,066)	642,572
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	2,006,047	674,638	-	(674,638)
<i>Total other financing sources (uses)</i>	2,006,047	674,638	-	(674,638)
<i>Net change in fund balances</i>	-	-	(32,066)	(32,066)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (32,066)	\$ (32,066)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (32,066)	
Adjustment to revenue for accruals and other deferrals			32,066	
Adjustment to expenditures for payables, prepaids and other accruals			(7,861)	
Net change in fund balance (GAAP basis)			\$ (7,861)	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
DUAL CREDIT PED SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	2,000	2,000
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	2,000	2,000
<i>Expenditures:</i>				
Current:				
Instruction	-	2,000	2,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	2,000	2,000	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(2,000)	-	2,000
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	2,000	-	(2,000)
<i>Total other financing sources (uses)</i>	-	2,000	-	(2,000)
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
GO BOND LIBRARIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Statement A-25

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	4,720	4,720
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	4,720	4,720
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	13,490	13,440	50
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	13,490	13,440	50
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	-	(13,490)	(8,720)	4,770
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	13,490	-	(13,490)
<i>Total other financing sources (uses)</i>	-	13,490	-	(13,490)
<i>Net change in fund balances</i>	-	-	(8,720)	(8,720)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (8,720)	\$ (8,720)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (8,720)	
Adjustment to revenue for accruals and other deferrals			8,720	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	6,605	6,605
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	6,605	6,605
<i>Expenditures:</i>				
Current:				
Instruction	-	4,214	4,214	-
Support Services				
Students	-	-	-	-
Instruction	-	10,974	10,558	416
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	15,188	14,772	416
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(15,188)	(8,167)	7,021
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	15,188	-	(15,188)
<i>Total other financing sources (uses)</i>	-	15,188	-	(15,188)
<i>Net change in fund balances</i>	-	-	(8,167)	(8,167)
<i>Cash balances - beginning of year</i>	-	-	8,793	8,793
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 626	\$ 626
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (8,167)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ (8,167)	

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

STATE OF NEW MEXICO

Statement A-27

TULAROSA MUNICIPAL SCHOOLS
 INCENTIVE FOR SCHOOL IMPROVEMENT PED SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
Instruction	-	26,645	24,700	1,945
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	26,645	24,700	1,945
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(26,645)	(24,700)	1,945
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	26,645	-	(26,645)
<i>Total other financing sources (uses)</i>	-	26,645	-	(26,645)
<i>Net change in fund balances</i>	-	-	(24,700)	(24,700)
<i>Cash balances - beginning of year</i>	-	-	26,645	26,645
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 1,945	\$ 1,945
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (24,700)	
Adjustment to revenue for accruals and other deferrals			4,455	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ (20,245)	

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

STATE OF NEW MEXICO

Statement A-28

TULAROSA MUNICIPAL SCHOOLS
 BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	4,271	4,271
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	4,271	4,271
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	11,716	1,735	9,981
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	11,716	1,735	9,981
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(11,716)	2,536	14,252
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	11,716	-	(11,716)
<i>Total other financing sources (uses)</i>	-	11,716	-	(11,716)
<i>Net change in fund balances</i>	-	-	2,536	2,536
<i>Cash balances - beginning of year</i>	-	-	8,532	8,532
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 11,068	\$ 11,068
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 2,536	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ 2,536	

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

STATE OF NEW MEXICO

Statement A-29

TULAROSA MUNICIPAL SCHOOLS
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	34,146	34,146
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	34,146	34,146
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	34,146	34,146	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	34,146	34,146	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(34,146)	-	34,146
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	34,146	-	(34,146)
<i>Total other financing sources (uses)</i>	-	34,146	-	(34,146)
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
LIBRARY BOOK ALLOCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	2,964	2,964	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,964</u>	<u>2,964</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(2,964)</u>	<u>(2,964)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	2,964	-	(2,964)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,964</u>	<u>-</u>	<u>(2,964)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,964)</u>	<u>(2,964)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,964</u>	<u>2,964</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (2,964)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			<u>\$ (2,964)</u>	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
GEAR-UP CHE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	19,417	19,417
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	19,417	19,417
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	15,743	14,501	1,242
Support Services				
Students	-	6,950	6,093	857
Instruction	-	2,949	268	2,681
General Administration	-	-	-	-
School Administration	-	7,700	8,638	(938)
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	33,342	29,500	3,842
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(33,342)	(10,083)	23,259
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	33,342	-	(33,342)
<i>Total other financing sources (uses)</i>	-	33,342	-	(33,342)
<i>Net change in fund balances</i>	-	-	(10,083)	(10,083)
<i>Cash balances - beginning of year</i>	-	-	(2,291)	(2,291)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (12,374)	\$ (12,374)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (10,083)	
Adjustment to revenue for accruals and other deferrals			10,083	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net change in fund balance (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
BOND BUILDING CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

Statement A-32

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	848	848
Interest	-	-	2,839	2,839
<i>Total revenues</i>	-	-	3,687	3,687
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	2,318,478	2,466,015	207,326	2,258,689
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	2,318,478	2,466,015	207,326	2,258,689
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(2,318,478)	(2,466,015)	(203,639)	2,262,376
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	1,295,000	1,295,000
Designated Cash	2,318,478	2,466,015	-	(2,466,015)
<i>Total other financing sources (uses)</i>	2,318,478	2,466,015	1,295,000	(1,171,015)
<i>Net change in fund balances</i>	-	-	1,091,361	1,091,361
<i>Cash balances - beginning of year</i>	-	-	2,171,556	2,171,556
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 3,262,917	\$ 3,262,917
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 1,091,361	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(10,623)	
Net change in fund balance (GAAP basis)			\$ 1,080,738	

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

STATE OF NEW MEXICO

Statement A-33

TULAROSA MUNICIPAL SCHOOLS
SPECIAL CAPITAL OUTLAY STATE CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	15,500	15,500
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	15,500	15,500
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	600,000	600,000	25,525	574,475
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	600,000	600,000	25,525	574,475
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(600,000)	(600,000)	(10,025)	589,975
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	600,000	600,000	-	(600,000)
<i>Total other financing sources (uses)</i>	600,000	600,000	-	(600,000)
<i>Net change in fund balances</i>	-	-	(10,025)	(10,025)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (10,025)	\$ (10,025)
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (10,025)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(93,091)	
Net change in fund balance (GAAP basis)			\$ (103,116)	

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

STATE OF NEW MEXICO

Statement A-34

TULAROSA MUNICIPAL SCHOOLS
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	151,270	\$ 151,270
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	140	140
<i>Total revenues</i>	-	-	151,410	151,410
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	1,364	-	-	-
Instruction	1,364	-	-	-
General Administration	1,364	2,364	1,513	851
School Administration	1,364	-	-	-
Central Services	1,364	-	-	-
Operation & maintenance of plant	1,364	-	-	-
Student transportation	1,364	-	-	-
Other Support Services	1,364	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	864,737	875,643	159,193	716,450
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	875,649	878,007	160,706	717,301
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(875,649)	(878,007)	(9,296)	868,711
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	875,649	878,007	-	(878,007)
<i>Total other financing sources (uses)</i>	875,649	878,007	-	(878,007)
<i>Net change in fund balances</i>	-	-	(9,296)	(9,296)
<i>Cash balances - beginning of year</i>	-	-	246,148	246,148
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 236,852	\$ 236,852
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (9,296)	
Adjustment to revenue for accruals and other deferrals			664	
Adjustment to expenditures for payables, prepaids and other accruals			(91,514)	
Net change in fund balance (GAAP basis)			\$ (100,146)	

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

STATE OF NEW MEXICO

Statement A-35

TULAROSA MUNICIPAL SCHOOLS
PUBLIC SCHOOL CAPITAL OUTLAY-20% CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	159	159
<i>Total revenues</i>	-	-	159	159
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	156,437	159,876	16,253	143,623
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	156,437	159,876	16,253	143,623
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(156,437)	(159,876)	(16,094)	143,782
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	156,437	159,876	-	(159,876)
<i>Total other financing sources (uses)</i>	156,437	159,876	-	(159,876)
<i>Net change in fund balances</i>	-	-	(16,094)	(16,094)
<i>Cash balances - beginning of year</i>	-	-	109,507	109,507
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 93,413	\$ 93,413
Net change in fund balance (Non-GAAP Budgetary basis)			\$ (16,094)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			701	
Net change in fund balance (GAAP basis)			\$ (15,393)	

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

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
DEBT SERVICE FUND

Statement A-36

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ 634,376	\$ 634,376
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	81	81
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>634,457</u>	<u>634,457</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	4,581	7,581	-	7,581
Instruction	4,581	7,581	-	7,581
General Administration	4,581	7,581	6,342	1,239
School Administration	4,581	7,581	-	7,581
Central Services	4,581	7,581	-	7,581
Operation & maintenance of plan	4,581	7,581	-	7,581
Student transportation	4,581	7,581	-	7,581
Other Support Services	4,581	7,581	-	7,581
Operation of Non-instructional Service:				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	325,000	325,000	315,000	10,000
Interest	468,115	495,913	143,282	352,631
<i>Total expenditures</i>	<u>829,763</u>	<u>881,561</u>	<u>464,624</u>	<u>416,937</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(829,763)</u>	<u>(881,561)</u>	<u>169,833</u>	<u>1,051,394</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	829,763	881,561	-	(881,561)
<i>Total other financing sources (uses)</i>	<u>829,763</u>	<u>881,561</u>	<u>-</u>	<u>(881,561)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>169,833</u>	<u>169,833</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>355,643</u>	<u>355,643</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,476</u>	<u>\$ 525,476</u>
Net change in fund balance (Non-GAAP Budgetary basis)			\$ 169,833	
Adjustment to revenue for accruals and other deferrals			1,187	
Adjustment to expenditures for payables, prepaids and other accruals			(3,255)	
Net change in fund balance (GAAP basis)			<u>\$ 167,765</u>	

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

FIDUCIARY FUNDS

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS

FIDUCIARY FUNDS

Agency Funds

Agency Funds – To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Tularosa Municipal Schools has the following funds classified as Agency Funds:

Activity – To account for assets held by the District until distributed to various organizations at the schools.

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
AGENCY FUNDS

Schedule B

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS				
Elementary School Funds	\$ 121,903	\$ 54,136	\$ 36,986	\$ 139,053
Middle School Funds	5,871	3,683	4,412	5,142
High School Funds	15,993	53,153	52,309	16,837
Intermediate School Funds	5,588	29,103	23,021	11,670
Total Assets	<u>\$ 149,355</u>	<u>\$ 140,075</u>	<u>\$ 116,728</u>	<u>\$ 172,702</u>
LIABILITIES				
Deposits held for others	149,355	140,075	116,728	172,702
Total Liabilities	<u>\$ 149,355</u>	<u>\$ 140,075</u>	<u>\$ 116,728</u>	<u>\$ 172,702</u>

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
June 30, 2010

Schedule I

Name of Depository	Description of Pledged Collateral	PAR/ Market Value June 30, 2010	Name and Location of Safekeeper
First National Bank	FNMA Pool 256809 31371NGS8 6.00% 7/1/2037	\$ 909,241	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	FNMA 745004 31403CU58 5.50% 2/1/2025	458,883	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	Torrance County NM Mun 891400HM8 4.15% 7/1/2010 *	300,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	Lovington NM Mun 547473BD9 4.30% 10/1/2012 *	435,000	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	FHR 1382 KA 312912WF1 6.25% 10/15/2022	48,574	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	FHLMC Pool H00532 3128MSSV 5.0% 5/1/2035	266,801	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	FNMA 664033 31391DV26 5.0% 1/1/2018	410,955	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	FHLB 31331YPN4 4.7% 1/17/2018	1,073,070	Federal Home Loan Bank of Dallas Irving, TX
First National Bank	FHLB 3136FJ6J5 4.0% 2/24/2020	2,497,846	Federal Home Loan Bank of Dallas Irving, TX
Western Bank	FNMA 313618S92 8/1/2017	18,980	Western Bank Alamogordo, NM
Western Bank	GNMA 36225CJ49 5/20/2029	28,366	Western Bank Alamogordo, NM
Western Bank	GNMA 36202KA47 5/20/2016	22,654	Western Bank Alamogordo, NM
	Total Collateral Pledged	\$ <u>6,470,370</u>	

* Stated at Par Value

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
June 30, 2010

Schedule II

Deposit or Investment Account Type	First National Bank of NM	Western Bank	State Treasurer's LGIP	Total
Operational Checking	\$ 471,400	\$ -	\$ -	\$ 471,400
Cafeteria Checking	61,724	-	-	61,724
Debt Service Checking	525,058	-	-	525,058
Federal Projects Checking	-	-	-	-
General Building Checking	3,582,753	-	-	3,582,753
Transportation Checking	53,854	-	-	53,854
Payroll Clearing Checking	843,621	-	-	843,621
Non Instructional Support Checking	-	40,685	-	40,685
Elementary School Checking	-	139,052	-	139,052
Intermediate School Checking	-	11,674	-	11,674
Middle School Checking	-	5,237	-	5,237
High School Checking	-	16,836	-	16,836
State Treasurer's LGIP	-	-	475,927	475,927
Total On Deposit	5,538,410	213,484	475,927	6,227,821
Reconciling Items	(446,818)	(610)	-	(447,428)
Reconciled Balance June 30, 2010	\$ 5,091,592	\$ 212,874	\$ 475,927	\$ 5,780,393

Reconciliation to financial statements:

Cash and cash equivalents:	
Total cash and cash equivalents per Statement of Net Assets	\$ 5,131,764
Total cash and cash equivalents per Fiduciary Statement of Assets and Liabilities	172,702
Total Cash (not including investments)	<u>\$ 5,304,466</u>
Total Investments per Statement of Net Assets	475,927
Total cash and Investments	<u><u>\$ 5,780,393</u></u>

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

STATE OF NEW MEXICO
Tularosa Municipal Schools
Cash Reconciliation
June 30, 2010

	Operational Account	Transportation Account	Instructional Materials Account	Food Services Account	Athletics Account
Cash per June 30, 2009 audit report	\$ 1,407,231	\$ 6,704	\$ 43,264	\$ 106,983	\$ 3
Add:					
2009-10 revenues	6,993,750	461,168	36,846	368,368	33,467
Loans from other funds	<u>(186,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	8,214,471	467,872	80,110	475,351	33,470
Less:					
2009-10 expenditures	(7,466,515)	(466,345)	(70,199)	(413,627)	(24,534)
Receivables/Payables	747,751	-	-	-	-
Permanent Cash Transfers	-	-	-	-	-
Voided Checks	-	-	-	-	-
Loans (to) other funds	<u>(224,526)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2010	<u>\$ 1,271,181</u>	<u>\$ 1,527</u>	<u>\$ 9,911</u>	<u>\$ 61,724</u>	<u>\$ 8,936</u>
Bank balance end of year	\$ 1,543,316	\$ 53,854	\$ 9,911	\$ 61,724	\$ 8,936
Deposits in transit	12,981	-	-	-	-
Outstanding checks	(863,234)	(52,327)	-	-	-
Reinstatement of Held Checks	456,518	-	-	-	-
Investments	<u>121,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2010	<u>\$ 1,271,181</u>	<u>\$ 1,527</u>	<u>\$ 9,911</u>	<u>\$ 61,724</u>	<u>\$ 8,936</u>

Activities Account	Non-Instructional Fund	Federal Flowthrough Fund	Federal Direct Fund	State Flowthrough Fund	State Direct Fund	Bond Building	Public Schools Capital Outlay
\$ 149,355	\$ 20,849	\$ (186,512)	\$ 194,026	\$ 46,934	\$ (2,291)	\$ 2,461,015	\$ -
140,075	81,776	1,138,862	753,430	51,743	19,417	1,298,195	-
-	-	186,510	-	-	-	-	-
289,430	102,625	1,138,860	947,456	98,677	17,126	3,759,210	-
(116,728)	(71,392)	(1,340,991)	(789,570)	(93,758)	(29,499)	(207,325)	-
-	-	3	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(186,510)	-	-	-	-	-
<u>\$ 172,702</u>	<u>\$ 31,233</u>	<u>\$ (388,638)</u>	<u>\$ 157,886</u>	<u>\$ 4,919</u>	<u>\$ (12,373)</u>	<u>\$ 3,551,885</u>	<u>\$ -</u>
\$ 172,800	\$ 31,749	\$ (388,638)	\$ 157,886	\$ 4,919	(12,373)	3,262,687	\$ -
-	-	-	-	-	-	-	-
(98)	(516)	-	-	-	-	(753)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	289,951	-
<u>\$ 172,702</u>	<u>\$ 31,233</u>	<u>\$ (388,638)</u>	<u>\$ 157,886</u>	<u>\$ 4,919</u>	<u>\$ (12,373)</u>	<u>\$ 3,551,885</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
Tularosa Municipal Schools
Cash Reconciliation
6/30/2010

Schedule III
(Page 2 of 2)

	Special Capital Outlay State	Capital Improvements SB 9	Public Schools Cap Out 20%	Debt Service Fund	Total
Cash per June 30, 2009 audit report	\$ -	\$ 246,149	\$ 158,976	\$ 370,437	\$ 5,023,123
Add:					
2009-10 revenues	15,500	151,410	159	634,376	12,178,542
Loans from other funds	-	-	-	-	-
Total cash available	15,500	397,559	159,135	1,004,813	17,201,665
Less:					
2009-10 expenditures	(25,525)	(160,707)	(16,340)	(464,935)	(11,757,990)
Receivables/Payables	-	-	-	-	747,754
Permanent Cash Transfers	-	-	-	-	-
Voided Checks	-	-	-	-	-
Loans (to) from other funds	-	-	-	-	(411,036)
Cash June 30, 2010	<u><u>\$ (10,025)</u></u>	<u><u>\$ 236,852</u></u>	<u><u>\$ 142,795</u></u>	<u><u>\$ 539,878</u></u>	<u><u>\$ 5,780,393</u></u>
Bank balance end of year	\$ (10,025)	\$ 236,852	\$ 142,795	\$ 525,058	\$ 5,801,451
Deposits in transit	-	-	-	-	12,981
Outstanding checks	-	-	-	-	(916,928)
Reinstatement of Held Checks	-	-	-	-	456,518
Investments	-	-	-	14,820	426,371
Cash June 30, 2010	<u><u>\$ (10,025)</u></u>	<u><u>\$ 236,852</u></u>	<u><u>\$ 142,795</u></u>	<u><u>\$ 539,878</u></u>	<u><u>\$ 5,780,393</u></u>

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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***

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Tularosa Municipal Schools'
Albuquerque, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statement of the General fund activities of Tularosa Municipal School as of and for the year ended June 30, 2010, and have issued our report thereon dated September 10, 2010. We also have audited the financial statements of each of the Tularosa Municipal Schools' nonmajor governmental funds and the budgetary comparison schedules of each of the Tularosa Municipal Schools' nonmajor governmental funds and Bond Building and Debt Service funds presented as supplementary information in the accompanying combining and individual fund financial statements and the budgetary comparison statements as of and for the year ended June 30, 2010 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However as described in the accompanying Schedule of Findings and questioned costs, we did not identify any deficiencies in internal control over financial reporting that we considered to be a material weakness as described above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of Findings and Questions Costs, as FS -2010-02 and FA 2010-01, that we consider to be significant deficiencies in internal control over financial reporting. 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.

Where Quality & Accuracy Count

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tularosa Municipal Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items as FS 2010-01, FS 2010-02, and FA 2010-01.

Tularosa Municipal Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit their response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Office of the State Auditor, NM Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Precision Accounting, LLC

Precision Accounting LLC
Albuquerque, New Mexico
September 10, 2010

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FEDERAL FINANCIAL ASSISTANCE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
Tularosa Municipal Schools
Albuquerque, New Mexico

Compliance

We have audited the compliance of Tularosa Municipal Schools' with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Tularosa Municipal Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tularosa Municipal Schools' management. Our responsibility is to express an opinion on Tularosa Municipal Schools' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *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 Tularosa Municipal Schools' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Tularosa Municipal Schools' compliance with those requirements.

In our opinion, Tularosa Municipal Schools' complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements, which is required to be repeated in accordance with OMB circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item FA-2010-1.

Internal Control Over Compliance

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

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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 non-compliance with a type of compliance requirement of a federal program will not be prevented or detected, and corrected on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Precision Accounting, LLC".

Precision Accounting LLC
Albuquerque, New Mexico
September 10, 2010

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

Schedule IV

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Disbursements/ Expenditures
<i>Direct Programs:</i>				
U.S. Department of Health and Human Services				
Impact Aid Special Education	93.778	25147	\$ 55,320	\$ 88,957
Impact Aid Education	93.778	25145	10,800	14,115
Indian Ed Formula Grant	93.778	25184	4,369	7,648
U.S. Department of Education				
R.E.A.D. (Literacy through Libraries)	84.364A	25235	4,368	4,368
Total Direct Programs			<u>74,857</u>	<u>115,088</u>
U.S. Department of Agriculture				
Passed through NM Public Education Department:				
Commodities Program	10.550	21000	23,551	23,551
Student Nutrition Program	10.555	21000	-	501,883
Total U.S. Department of Agriculture			<u>23,551</u>	<u>525,434</u>
U.S. Department of Education				
Passed through NM Public Education Department:				
ESEA-Title I Basic	84.010	24101	414,173	414,173
Title I Stimulus	84.389	24201	271,449	271,449
IDEA B Entitlement	84.027	24106	287,019	287,019
IDEA B Entitlement Stimulus	84.391	24206	158,009	158,009
IDEA B Preschool	84.173	24109	9,791	9,791
IDEA B Preschool Stimulus	84.392	24209	3,497	3,497
IDEA B Risk Pool	84.000	24120	3,009	3,009
Title V (Part A)	84.298	24150	264	264
English Language Acquisition	84.365	24153	3,202	1,601
Teacher/Principal Training and Recruiting	84.367A	24154	173,809	173,809
Safe and Drug Free Schools and Communities	84.186A	24157	6,201	6,201
Rural & Low Income Schools	84.298	24160	12,354	12,354
ARRA State Stimulus	84.394	25250	674,638	682,499
Total U.S. Department of Education			<u>2,017,415</u>	<u>2,023,675</u>
Total Federal Financial Assistance			<u>\$ 2,115,823</u>	<u>\$ 2,664,197</u>

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 Tularosa Municipal Schools (District) 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

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

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, 2010 was \$23,551.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,664,197
Total expenditures funded by other sources	<u>17,810,584</u>
Total expenditures	<u>\$ 20,474,781</u>

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

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STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Tularosa Municipal Schools.
2. Three (3) significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Tularosa Municipal Schools were disclosed during the audit.
4. There was one (1) audit finding required to be reported under A-133.510(a).
5. The auditor's report on compliance for major federal award programs for Tularosa Municipal Schools expresses an unqualified opinion.
6. The programs tested as major were the Title I CFDA No. 84.010, Title I Federal Stimulus CFDA No. 84.389, IDEA B Entitlement CFDA No. 84.027, IDEA B Preschool CFDA No. 84.173, IDEA B Risk Pool CFDA No. 84.000, IDEA B Entitlement Federal Stimulus CFDA No. 84.391, IDEA B Preschool Federal Stimulus CFDA No. 84.392, Student Nutrition Program CFDA No. 10.555, SEG State Federal Stimulus CFDA 84.364.
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. Tularosa Municipal Schools qualified as a low risk auditee.

B. FINDINGS-FINANCIAL STATEMENT AUDIT

FS 2010-01 Untimely Deposits

CONDITION: Our tests of 40 receipts selected randomly during the fiscal year disclosed that 7 were not deposited within 24 hours of receipt. The time lag ranged from two days to ten days.

REASON IMPROVEMENT NEEDED: The District is not in compliance with NMAC 6.20.2.14c regulation that all deposits must be made within 24 hours of receipt of the funds.

CAUSE OF CONDITION: One item came from cafeteria receipts and was four days late. The other 6 items came from athletic related events (gross receipts from event, sale of hats, receipts from football camp). Cause is unknown.

EFFECT OF CONDITION: Funds are on hand and not deposited timely which increases the risk of theft or misappropriation. In addition, the District is in violation of state regulation.

RECOMMENDATION: We recommend that the District implement procedures to ensure compliance with NMAC 6.20.2.14c. We recommend that some training is needed for all departments.

COSTS AND BENEFITS OF RECOMMENDED ACTION: Properly following state regulation will not increase costs to the District.

CLIENT RESPONSE: The district has implemented procedures to ensure compliance with NMAC 6.20.2.14c regulation that all deposits must be made within 24 hours of receipt of the funds. The Staff Handbook will be amended to include proper procedure for receipt cash at each school site.

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

FS 2010-02 Purchasing Procedures

CONDITION: The School District is not following the purchasing procedures found in Supplement 13 of the Public School Accounting & Budgeting (PSAB) supplements to the manual of procedures

REASON IMPROVEMENT NEEDED: Supplement 13 of the Public School Accounting & Budgeting (PSAB) supplements to the manual of procedures that provide guidelines for ensuring that purchase transactions are appropriate, valid and legally binding upon school districts. It states that all purchase transactions are to be executed through issuance of duly authorized school district purchase orders. In all cases, the preparation & execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.

CAUSE OF CONDITION: Purchases were made with purchase orders that were created after the service had been performed.

EFFECT OF CONDITION: Purchasing guidelines were circumvented due to the fact that two (2) purchases were made with the purchase order being created after the services were rendered, however no purchases were paid without an approved purchase order. As no unauthorized or unapproved purchases were made, there was no fiscal effect with respect to the untimely preparation of the purchase order.

RECOMMENDATION: We recommend that the District implement procedures to ensure compliance with the guidelines found in the PSAB supplements with respect to purchasing. We recommend that training for all departments with respect to the purchasing policy. The District should remind all employees that any person who purposefully places an order for goods, services or construction without a duly authorized purchase order may be held personally liable for payment of delivered items and may be subject to the penalty stipulations of the Procurement Code. Purchase order forms should be updated to current Procurement Code statutes to help clarify the requirements for purchases. We recommend that the District administration office notify all vendors that no services or goods should be ordered without seeing the purchase order first.

COSTS AND BENEFITS OF RECOMMENDED ACTION: Properly following state regulation will not increase costs to the District.

CLIENT RESPONSE: The district has implemented procedures to ensure compliance with the guidelines found in PSAB Supplements with respect to purchasing. Our business office has revised the purchase requisition form and our Staff Handbook will be amended to include the proper procedures for purchase requisitions. The procedures will be reviewed with all administrators, and they will review the procedure with their staff members. Additionally, all business office personnel will monitor purchase requisitions and purchase orders to ensure that the purchase requisition and purchase orders have been approved prior to purchase.

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

C. FINDINGS-FEDERAL AWARDS

FA 2010-01 Untimely Reporting (Student Nutrition Program, CFDA# 10.555, U.S. Department of Agriculture passed through NM Public Education Department)

CONDITION: The district filed the August claim reimbursement form online but received an error which resulted in the report not being filed and thus not reimbursed.

REASON IMPROVEMENT NEEDED: The law and regulations by the Department of Agriculture requires a school district to file timely reports for submit claim reimbursements. The audit finding was based on one month out of twelve in which the claim reimbursements were filed. One claim form for August 2009 appeared to not be filed timely. This error appears to be an isolated problem and measures have been taken at the District to ensure that all claims are timely filed.

CAUSE OF CONDITION: District personnel filed the claim reimbursement online and received an error which resulted in the report not being filed. The District made multiple attempts to contact the State Nutritional Services Division however there attempts were never responded to until a letter went out in June 2010.

EFFECT OF CONDITION: This type of non compliance resulted in the untimely filing and nonpayment of the August 2009 claim reimbursement.

QUESTIONED COSTS: The August 2009 claim reimbursement totaling \$25,684.

RECOMMENDATION: We recommend that the District ensure that all reports are filed timely in order to receive reimbursement.

CLIENT RESPONSE: The district has implemented changes in job duties and monitoring processes to ensure compliance with the law and regulations by the Department of Agriculture requiring a school district to file timely reports for submitting claim reimbursements.

D. PRIOR YEAR AUDIT FINDINGS

None

STATE OF NEW MEXICO
TULAROSA MUNICIPAL SCHOOLS
OTHER DISCLOSURES
Year Ended June 30, 2010

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Kathleen Richardson, the Business Manager, is capable of preparing, understanding and accepting responsibility for the GAAP basic financial statements. Although the District is responsible for the content of the financial statements they have contracted with the auditor to prepare the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of this report were discussed on September 3, 2010. The following individuals were in attendance.

Tularosa Municipal Schools
Brenda Yousif, President
Brenda Vigil, Superintendent
Kathleen Richardson, Business Manager

Precision Accounting LLC
Melissa R. Santistevan, CPA
C. Jack Emmons, CPA, CFE